PRESS CONFERENCES

of

THE PRESIDENT

1937 -- July 1 to Dec. 31

Henry M. Kannee,
Official Reporter.

CONFIDENTIAL
Press Conference #378
Hyde Park, New York
Sunday, July 4th, 1937 - 4.15 P.M.

(The President met the newspaper men at Moses Smith's farm, which lies on Route 9-F about four miles above Poughkeepsie, and proceeded with them to a meadow about three hundred yards northwest of Moses Smith's house.)

THE PRESIDENT: Everybody gather around if you want to know about forestry.

Number one, you want to know where the place is. It starts about four hundred feet back in the woods. (Indicating) It is being used for two purposes -- crop purposes -- one is cordwood. We take out a certain amount each year and sell it. Number two is matured timber which is what is called a continuous growth stand. In other words, you only cut trees that you want for cordwood, such as trees that are crooked or that die, or you cut trees that will make good lumber that you can cut up and sell. Actually you cut about an average of perhaps two trees to the acre each year. That is what is called continuous stand growth.

Now this here (indicating) along the edge of the woods is the first Christmas tree plantation

that I put in. It is a ten-year crop. What I am trying to do is to put in ten acres a year right along and when that crop is ten years old I will harvest them, cut and replace them. In other words, at the end of ten years I will have an actual sale of ten acres of Christmas trees. Last year we took the first batch out of this, (indicating) about eight hundred trees. We took them out of this particular plantation and this year we will take out all the rest and sell them.

Q What size are they when you plant them?

THE PRESIDENT: They are about eight inches and they get their growth in ten years. Some are bigger and some smaller. Some are table size and some are full size.

Q Do you buy these from the State, or do you have to buy Christmas tree stock?

THE PRESIDENT: I buy them from the State at four dollars a thousand.

Q Are they three-year-old transplants?

THE PRESIDENT: Yes -- I am not sure whether or not they are two years old. I think they have given up the three-year-olds.

Q These are big enough for trees now.

THE PRESIDENT: Yes, I have been selling them. I sold the first lot last year.

Now, the place is very narrow. It is about two fields wide and runs back here (indicating) back to the top of the big hill. You can see, number one, that it is not nearly a thousand acres but actually five hundred and sixty acres. Number two, it is not a farm because I do not farm.

There are four sites of buildings on the place. Moe
One is this one -- Moe Smith. The tenant of the other one, in that little old house down at the corner -- what is her name, the name of the lady who runs the Homespun Factory? -- Nellie Johanson. She is the tenant of that one and then on top of the hill there is another site of farm buildings with another tenant, and then the fourth site of buildings is the Cottage. I do not run any farm at all. It is purely a forestry proposition. Smith has here, as part of his farm, I think about fifty acres that he utilizes for pasture.

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Roan, the man on top of the hill, has about fifty acres that he tills or pastures. They both run cows. Nellie runs homespun, and the girls at

the Cottage run all sorts of things, including most of us. (Laughter)

I will show you the various plantations. As we go along this little rise to the right, look in there (indicating) and you will see a plantation of red pine. It has two uses. One is the crop use. You cut it when it is about twelve years old -- twelve to fifteen years old -- for posts. There is a big demand for posts for vineyards and arbors around here. The other use is to let it go on to maturity and cut it for lumber.

Then you'll see various acreage with little bits of things, only about that high (indicating), and some a little higher, and you will see all kinds of different trees. Most of them along the road are for post use. In between them are trees for full growth so that at the end of twelve years, something like that, you cut out the posts and let the other trees go on to maturity. That is a regular annual crop.

Q How many varieties of trees have you?

THE PRESIDENT: Two spruces, three pines, three larches, two oaks, one black walnut and one tulip poplar, and they all have commercial use, every one of them. None

of them are ornamental trees.

Q Do you plant your walnuts from the nuts, or are they transplanted?

THE PRESIDENT: We did it both ways. The State does not raise those, the same way that they do not raise tulip poplars. The State raises about half of the trees and the other half they do not.

Q On the Christmas trees, you pay about four dollars a thousand?

THE PRESIDENT: Yes, you put in about twenty-two hundred to the acre. Now this is very rough: That is roughly ten dollars for your trees and another twelve dollars to plant them. Then, in the first three years of their life, you have to clean out the weeds and the brush. Well, the total of that cleaning out process comes to perhaps twenty dollars, so that you have a total expense there of around between forty and fifty dollars that you are actually out of pocket. Then, in addition to that, you have to have your fire break roads and general cleaning up around the place to stop fire from spreading, which perhaps may run another twenty-five dollars to the acre, so that your total cost at the end of the ten-year period on these

Christmas trees is about seventy-five dollars to the acre.

Then you ought to get out of your twenty-two hundred original trees planted in the acre, there ought to be about a thousand sellable trees that will come to maturity and you get about, well, with any luck, an average of fifty cents apiece for them. That is five hundred dollars.

Q Is that before they are cut?

THE PRESIDENT: No, you cut them and they haul them away. You do the actual cutting but they put the strings around them and cut them off.

Now, that five hundred dollars you have to divide by ten. After deducting, let us say, a hundred dollars from it, which is your total cost, you ought to have about four hundred dollars profit, which is forty dollars an acre a year. It ought to run about that.

Q I thought we were figuring on one acre all the time.

THE PRESIDENT: We were, but over ten years. You ought to make about forty dollars an acre a year, which is a damned sight better than crops.

Q How many acres have you planted?

THE PRESIDENT: At the present time I should think there are about -- I will have to give you a rough guess -- there are about eighty acres planted and about three hundred acres in continuous stand forests.

Now, your continuous stand forest: it ought to work out after an awful lot of cleaning that we had to do because the forests were in horrible shape when I bought the place -- terrible -- but it ought to yield about twenty to twenty-five dollars an acre net profit. That does not include taxes.

Q Which are high?

THE PRESIDENT: No, they are quite low.

Q What varieties have you got in for Christmas trees?

THE PRESIDENT: They are nearly all Norway. I have a few white and I am trying a few balsam.

This year I got my first sale out of them. From now on it will go on indefinitely.

Q Have you noticed any leaf blister on your oaks this year?

THE PRESIDENT: Yes, especially the white oaks.

Q I have a few oaks on my place and every leaf on them is covered.

THE PRESIDENT: Yes, I have it on the white oaks. It has not touched the red or black oaks. But the white oaks

in this particular woods, it is almost a solid stand. But I think it is all right because it is just one of those temporary things.

(The motorcade with the President's car in the lead then proceeded in a south-easterly direction away from Moses Smith's farm, down and across Route 9-F and several blocks in on a side road.)

THE PRESIDENT: Do you see all those pines up there? (Indicating) Those are all red pines. There are about eight acres of those. Those are about seven years old. In here are three different kinds of larches, European larch, Japanese larch and American larch, otherwise known as hackmatack or tamarack, depending on what part of the country you come from. I should say those were put in in 1929. There has been very quick growth. Those will be good probably within two years for posts. They are such a success that I will replant right off with the same thing.

Now we will go down this road and on each side -- there is no use getting out of the car, you can take my word for it -- there are little trees of various kinds. There is one field of oaks, two fields of spruces, one field of larch and then a swamp field

that, so far, has been a failure. It is the one failure that we have made. We have tried three different plantings in it, but the damned thing won't grow. However, the State Forestry people are going to have one more try at it with these larches.

Q Those tamaracks should grow.

THE PRESIDENT: Yes. In fact, a hundred years ago it used to be called the Tamarack Swamp. I think we will make a go of it.

There is a total of thirty acres planted with various crop trees, not forests, and we will begin, I think, in two years to cut the larches.

Q What can you get for larch posts now, Mr. President?

THE PRESIDENT: I think -- I don't remember the latest quotation, but I think it is twenty cents.

Of course, on larch you don't have any losses the way you do on Christmas trees, because they are all good. It does not make any difference if it has a double top or not. On Christmas trees it spoils it to have a double top, you have to have a single top. You don't get as much for them per tree, but you get a higher yield per acre.

Q How much do you calculate the cost to be to cut and trim those trees to post size?

THE PRESIDENT: Very little.

Q Have you got a good woodsman here?

THE PRESIDENT: Yes. You do most of it with machinery, you know. They just slide along with a knife on a table.

Q You know, Mr. President, Ernest (Lindley) is getting a little advice that he can use on his own place.

THE PRESIDENT: I know. (Laughter) Those trees are all growing up there four feet high.

Q (MR. LINDLEY) I have some higher than that. I have some larches ten feet high and they are four years old.

(The motorcade then moved off through some side roads in a northeasterly direction to a spot about half a mile back of the Cottage.)

THE PRESIDENT: Here we are at the northeast corner of the place. This road here is a fire-break along the boundary of the place. If this is kept free of grass it is a good fire-break because the fires in these woods are low fires, they are what they call ground fires, and so the road is a fire-break. I am building this road this year and this is my east border. You can see the stone wall in there. It is the east

boundary of the place and goes on up to the top of the hill and this road is intended to carry that fire-break along with the east boundary up to the top of the hill. I have only had this place for three years and we haven't got into those woods to do the first clearing.. Further back you saw that it was pretty well cleared out. There we have a continuous production yield. But we have not got into it here yet. We will probably get into it the next couple of years to get out the dead stuff, the scrub stuff and the trees that are not worth anything, such as white birch and ironwood and trees that have no commercial value. When that is done it gives the good trees a chance to come up.

I will stop down at the foot of this hill and you will look into the field and you will see this year's planting of Christmas trees. You will have to look into the grass for them. They are planted about three and a half feet apart and they are awfully small. You will have to get out and take a look into the field. That is this year's planting and it is a very good, a very successful one because we have had so much rain. On last year's planting

we had a terrible drought and we had to water twenty-two thousand trees. But we have saved about eighteen thousand of the twenty-two thousand.

Q How do you water them, Mr. President?

THE PRESIDENT: By a water-car. You take it to the edge of the road and then you use buckets. They are ordinary water pots. It is a hand job.

Q What season do you plant them?

THE PRESIDENT: End of April. This year I have had no expense but last year it cost me a hundred and fifty dollars to water them. That was bad news.

MR. McINTYRE: One of the inevitable wise cracks. George Durno said that only God can make a tree, but only Roosevelt can make them pay. (Laughter)

THE PRESIDENT: And I think we can make them pay.

CONFIDENTIAL
Press Conference #379
Executive Offices of the White House,
July 6, 1937 - 4.10 P.M.

THE PRESIDENT: How is everybody behaving, Russell; is everybody quiet?

MR. YOUNG: Steve has been all right since you left. His picture has been in the papers.

THE PRESIDENT: He must have felt that they were not paying enough attention to him.

MR. YOUNG: Well, he is Press Secretary.

THE PRESIDENT: And he is trying to break into print.

MR. EARLY: Often heard but seldom seen.

MR. YOUNG: I see where Brother McIntyre succeeds Louis Howe.

MR. EARLY: I don't think the President knows about that, Russell.

MR. YOUNG: Didn't you see the story that UP had about Mac succeeding Louis Howe?

MR. HARKNESS: I acquitted myself of the charge, however. I presented documentary evidence.

MR. YOUNG: But the story got into the paper.

THE PRESIDENT: Well, it was probably written in the office.

MR. HARKNESS: One paragraph was written in the office.

MR. DONALDSON: All in.

THE PRESIDENT: I don't think there is any news. Of course, we are all worried about Miss Earhart and doing everything possible to have the search cover as much territory as possible. There isn't anything new on it in the last few hours.

Q Are you getting special reports at your request?

THE PRESIDENT: Oh, yes. I have been ever since the thing happened, every few hours.

Q Will you tell us about your conference with Senator Wheeler, Mr. President?

THE PRESIDENT: Yes; I will tell you exactly what we agreed that we would say to the Press. (Laughter)

Q You agreed?

THE PRESIDENT: Yes, and that was that we had had a very interesting conversation about the general subject of the improvement of justice in the United States.

Q You broke the agreement. (Laughter)

Q Is that all you agreed on?

THE PRESIDENT: That is what we agreed we would say to the Press.

Q He said he will not change his opinion or make any promise.

THE PRESIDENT: (No answer)

Q Will you comment on reports that you and Mr. John Lewis are going to break off friendly relations?

THE PRESIDENT: I don't think that a report like that needs comment.

MR. EARLY: We haven't any confirmation.

THE PRESIDENT: Steve says that we have not any confirmation.

Q Will you comment on reports that you intend to do something at this time in an effort to balance the budget?

THE PRESIDENT: That was done last week and I forgot to tell you people about it. At the last conference I had it on my desk. I will tell you about it. We had an order that went out and I will try to find it and get the dope for you. (Examining basket) I don't seem to find it but it is on my desk somewhere. However, I can tell you substantially what it did. It was a signed letter from me. I think it went out about June 23rd.

MR. EARLY: I think that is the date.

THE PRESIDENT: It is a letter to the heads of the Departments asking them definitely to make an effort to save ten per cent on the appropriation for the coming year. Of course, certain exceptions obviously have to be made. For instance, you cannot cut the pay of the

Army or the Navy or other Government employees. But, in any event, we hope, as a result of this, to make a saving of an average of ten per cent of the whole of the Government appropriations during the coming year. In addition to the regular Departments, that has gone out to the heads of the independent agencies and they are going to come in probably in the course of the next few days to have a conference with me -- the people who are not in the Cabinet -- to talk over the ways and means of accomplishing the objective.

Q Will that give you a surplus?

THE PRESIDENT: All I can say is that I hope we will balance the budget the coming year.

Q How much does that aggregate?

THE PRESIDENT: I think it is somewhere around four hundred million dollars.

Q Do I understand you to say that you think you can make that cut outside of personnel?

THE PRESIDENT: I cannot reduce salaries.

Q No, but you could reduce personnel.

THE PRESIDENT: I cannot reduce the Army and Navy ration from 45¢ to 35¢. We have to give them good food. I cannot reduce the payment on the national debt and

things like that. There are lots of items that we cannot reduce but there should be other items where we may be able to save more than ten per cent.

Q Does that mean you will have to reduce activities?

THE PRESIDENT: Some will have, to a certain extent, to be reduced.

Q Will the money be withheld by the Budget Bureau, or will it go to the heads of the Departments?

THE PRESIDENT: What was that?

Q Will the budget be able to withhold a flat ten per cent?

THE PRESIDENT: Oh, no; the Departments themselves are going to work it out.

Q Do I understand you to say that you hope to save a total of about four hundred million dollars?

THE PRESIDENT: Yes.

Q Can you give us an idea of some of the activities that will have to be cut down?

THE PRESIDENT: No.

Q Mr. President, Senator Wheeler is being quoted in a story from the Hill as saying that he told you that he, with his opposition colleagues, would fight any compromise; that he told you, sir, he was fighting the compromise because he was a friend of yours and

that if he were an enemy of yours he would be for the Court plan.

THE PRESIDENT: Sorry, I cannot comment any further than I said.

Q Does this ten per cent cut apply to the moneys appropriated this year?

THE PRESIDENT: The moneys appropriated this year.

Q Your Congressman, Mr. Fish, is still talking about your income tax return. Do you plan to make any reply to that?

THE PRESIDENT: No.

Q United Press is printing a story to the effect --

THE PRESIDENT: I am getting lots of rumors.

Q -- that there has been placed before you a report suggesting a formula for bringing together the C.I.O. and the American Federation of Labor. Have you any comment?

THE PRESIDENT: My friend here assures me that he is not responsible for that report. (Indicating Mr. Harkness)

MR. HARKNESS: If I wrote all of them I would have had a very busy week-end.

THE PRESIDENT: That is made out of the whole cloth.

Q Are you still pressing for Senator Wagner to run for Mayor of New York? (Laughter)

THE PRESIDENT: Have I stopped beating my wife? (Laughter)

Q Are you going to send the Agricultural Committee a letter on the general agricultural legislation?

THE PRESIDENT: Yes.

Q How soon will it go up?

THE PRESIDENT: I hope tomorrow, maybe the next day.

Q Can you tell us whether you are asking for general legislation?

THE PRESIDENT: It is not written, and I cannot tell you.

Q Do you endorse the views expressed by Secretary Perkins with respect to the sit-down strike?

THE PRESIDENT: I have not read it.

Q She sent out a letter last week.

THE PRESIDENT: I read the headlines, but I have not had time to read the letter.

Q Do you endorse the views expressed by Secretary Roper in his radio speech?

THE PRESIDENT: I have not read that either.

Q When are you going to see the Brazilian and Chinese Finance Ministers who are in town?

THE PRESIDENT: Dr. Kung is coming to lunch with me tomorrow.

We haven't got a definite appointment as yet on the Brazilian Finance Minister.

Q Mr. President, are you going out to the Cleveland Exposition this year? I think you have been invited.

THE PRESIDENT: I don't believe so. I haven't any plans for it.

Q Mr. President, what did you talk to Congressman Cochran about today -- reorganization?

THE PRESIDENT: Yes, he reported progress.

Q Will there be a bill this year?

THE PRESIDENT: I hope so.

Q The Senate passed the New York Worlds Fair bill this afternoon.

THE PRESIDENT: Oh, did they? Any changes?

Q None since the House approved it. Did the House approve it in the form to which you agreed?

MISS FLEESON: (Nodded her head, "yes")

THE PRESIDENT: I think so, but you had better let me read the bill first. I have not read all the details of the bill, but I think it is all right.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #380
Executive Offices of the White House,
July 9th, 1937 - 10.50 A.M.

Q We estimated last night, Mr. President, that you must have had your picture taken ten thousand times on Constitution Avenue.

THE PRESIDENT: I think everybody I saw had a camera.

Q There were at least four out of every five.

THE PRESIDENT: Those snapshots will be going all around the country. If it had not been the Boy Scouts I would have charged for it.

Q You could have made a small charge and come out way on top. Between the Boy Scouts and the Congressmen with cameras, Eastman stock is pretty good.

MR. DONALDSON: All in.

THE PRESIDENT: I don't think there is any news. I will go down the river tomorrow and come back Sunday afternoon.

Q There have been two or three stories purporting to set forth the Administration's attitude towards unions in the Federal Government, and I would like to ask you a question as to whether you favor Government

employees joining unions to the extent of collective bargaining with Government. Do you care to discuss that or say anything about it?

THE PRESIDENT: I will tell you a story. Way back in 1913, when I went to the Navy Department, one of my jobs under the law was to set the Navy wage scale every year under a Congressional Act which provided, I cannot remember the exact language but the effect was that the Navy should pay, in each Navy Yard, the scale for the work of the particular character that was paid in private employment in the vicinity.

Up to that time, as I remember it, the time I got there, this had always been done by local Navy Yard Boards, in each case composed mostly or entirely of Naval Officers -- am I right, Kirk, you remember that?

Q (KIRK SIMPSON) Perfectly right.

THE PRESIDENT: And I changed that in this way: I had the recommendations made by the Yard Boards, but they were brought to the Assistant Secretary and the Assistant Secretary thereupon notified the workmen in all the Yards that he would hold hearings in relation to a question of fact: What was the average pay in the

vicinity?

So we held, I think it was a three- or four-day session, and representatives of the employees in the different Navy Yards presented all of the facts that they had. They stated wherein they disagreed with the Naval officers' findings and they made certain requests as to working conditions. I remember one of the first ones that came up was the toilet facilities at the Norfolk Navy Yard, and we got on extremely well, and I changed, in certain minor particulars, the findings of the Navy Boards in the different Navy Yards and then, under the law, announced a schedule of pay for the coming year.

That same year there came up the question of whether we would enter -- whether the Government, with its civilian employees, would enter into an agreement, an agreement with, as I remember it, the Draftsmen's Union, and I made a very simple and obvious ruling: The Government does not engage -- of course, the words "collective bargaining" were unheard of in those days -- the Government does not make contracts with any Government employee. The administrative executive officers operate under a

law. They have no discretion. The pay is fixed by the Congress and the workmen are represented by the members of the Congress in the fixing of Government pay. They ought to have the privilege always of coming and laying their case before the administrative officer who is in charge of their department.

That ruling, made, I think, in 1913, is just as good today as it was then. The pay of Government employees is fixed by the Congress. We people who run the Executive Department of Government as a whole are bound by the law. Every workman has a full opportunity to be heard. They can lay the case before the Congress if any change is contemplated in the law. That is where it is made.

Q In 1913, were you following the rule of a predecessor or did you establish this policy then for the first time?

THE PRESIDENT: I don't know whether -- so far as I was concerned it was original on my part, but there may have been precedents for it.

Q You said that every workman has a right to appear before this Board?

THE PRESIDENT: Yes.

Q Would they also have the right to select their own representatives without any interference with anyone?

THE PRESIDENT: At that time I laid down the rule, it was a simple one, that an individual workman could come in and state his own case; he can state it through a shop committee, he can state it as a representative of a minority within a shop or a Yard, or he can choose officers -- I would say representatives -- who are not working in the Yard.

You will remember our old friend, Al Berris, he was a grand fellow, he was chosen, as I remember it, unanimously by the machinists -- wasn't he a machinist?

MR. EARLY: Yes.

THE PRESIDENT: In all the Navy Yards. He was not a machinist in the Navy employ; he was an official of the Machinists' Union.

Q Mr. President, do you think that Government employees should have the right to strike to enforce their demands?

THE PRESIDENT: No, the Civil Service rules cover that. That is very simple.

Q Do I understand you, by this story, to mean that there

are certain things left within the discrimination of the administrative officers that might properly be dealt with back and forth between representatives of the employees and Government officials?

THE PRESIDENT: Yes, let them all be heard. Like the example of the toilets at the Navy Yard. When the condition of the toilets was called to my attention I had enough funds that were within my discretion and we improved the condition of the toilets.

Q Mr. President, do you think that a union would destroy this ability under the present system for all employees to be heard?

THE PRESIDENT: Well, they can join any union they want. There is no prohibition against that. They can join ten unions.

Q But on the question of wages and hours, what latitude do the workers have since the amount is fixed by Congress?

THE PRESIDENT: It is up to the Congress. Congress lays down the method today of fixing compensation and always has.

Q Then, in other words, you would not have the representatives of the majority as the sole bargaining agents?

THE PRESIDENT: Not in the Government, because there is no collective contract. It is a very different case. There isn't any bargaining, in other words, with the Government, therefore the question does not arise.

Q Mr. President, can you tell us whether you are considering the sponsorship of a Constitutional amendment on the compulsory retirement of Judges at seventy-five?

THE PRESIDENT: No.

Q Or for limitation of terms of the Supreme Court Justices?

THE PRESIDENT: Same answer, same thing.

Q No, you could not tell us, or, no, you are not considering?

THE PRESIDENT: No, I am not considering.

Q Mr. President, have you any comment yet on the published report that there is a break between the Administration and John L. Lewis?

THE PRESIDENT: That is the same old story, press reports.

Q Would you deny them?

THE PRESIDENT: I am not confirming or denying all of the various stories that I read in the press every morning. That is said in the most kindly way. Obviously I cannot. We would be here for six hours.

Q Does that, sir, include stories involving the Vice President of the United States?

THE PRESIDENT: Yes. (Laughter) That is a very good example, Fred (Essary).

Q Do you care to make any statement on the charges your Congressman is making up on the Hill right at this moment?

THE PRESIDENT: George (Durno), not at this time.

Q Mr. President, do you still expect action on the wage-hour bill at this session?

THE PRESIDENT: I hope so.

Q Are you familiar, sir, with the Committee report from the Senate yesterday on the wages and hours bill?

THE PRESIDENT: No, I have not had a chance to get it; I only read the headlines. What do they do? Do they put a maximum in?

Q They put a maximum in.

THE PRESIDENT: I mean a minimum.

Q Minimum maximum.

THE PRESIDENT: That is right; it is minimum maximum, yes.

Q That is on both wages and hours and apparently permits a differential.

THE PRESIDENT: Yes.

Q Does that meet with your approval?

THE PRESIDENT: I haven't read it and I could not comment.

Q Have you discussed the steel strike with any Labor Department officials recently?

THE PRESIDENT: Oh, I suppose every day for the last two or three years.

Q I wondered. There were some press reports that said that Dr. Steelman , of the Labor Department, has suggested to you the possibility of bringing about a settlement based on the Inland Steel settlement.

THE PRESIDENT: I'm afraid that was another report.

Q Any news on the Communications Commission nomination, Mr. President?

THE PRESIDENT: Not yet, but I hope very soon.

Q Can you tell us what progress you made yesterday with your talk with the independent department heads on economy?

THE PRESIDENT: Very excellent and as I saw by one of the headlines, I was polite but rather firm.

Q Gentle.

THE PRESIDENT: That's it, gentle.

Russ (Mr. Young), just so that we won't scare people unnecessarily, there is no thought of either

furloughing or firing existing employees. This is just to relieve their minds. There are many ways in which the appropriations can be made to yield a substantial saving.

The largest item is in not filling vacancies. As you know, there are always a certain percentage of vacancies occurring almost every day. That is the first and largest item. The other item relates to not doing certain things quite as fast as we would otherwise do them.

Q Does it eliminate any activities, sir?

THE PRESIDENT: Only in that way. It slows up the expenditure so that instead of completing a job this year, we would let some of it run over until next year.

Q Do you expect to get reports from the departments, Mr. President, from time to time as to how they are getting along with their savings?

THE PRESIDENT: Yes.

Q Did you have satisfactory experience with the letter you sent out before the fiscal year, I think the last few weeks of the fiscal year?

THE PRESIDENT: Very good.

Q Ninety-five million dollars savings, was it not?

THE PRESIDENT: It was more than that. It came up -- one editorial said we had only saved a third of what we expected to save. That was not the fact. I am getting Danny Bell to get the figures on that. We came very close to our original figures.

Q That did not involve any furloughing or firing?

THE PRESIDENT: No. And then, of course, there are a lot of little items in running a department or agency; for instance, a little bit more care on travel, a little bit more care on long distance telephones, a little more care on unnecessary printing.

I told them the other day that I thought the Government is printing altogether too much stuff and always has been. Fred (Essary), it is a perfectly normal thing for every department to want to print pretty nearly everything it has got. We have held them down and this year I think we can hold them down again.

Q Is that (indicating a woven cane fishing basket behind the President) the Maine pack basket you were presented with yesterday?

THE PRESIDENT: Yes, I think so.

Q What are you going to do with it?

THE PRESIDENT: I don't know, I haven't got any fishing

plans. It is a fishing basket.

Q Are you going to send the letter on farm legislation to the heads of the Committees?

THE PRESIDENT: I dictated it last night. It has got to be corrected and I will get it up tomorrow or Monday.

Q Have you offered Myron C. Taylor a diplomatic appointment, sir?

THE PRESIDENT: No.

Q Mr. President, getting back to that Government employee union question, should there be any limitation on the amount of time or political pressure brought on Congress to raise salaries?

THE PRESIDENT: I should think that was up to Congress and the Civil Service rules.

Q Is it too early now to say who will go down the river with you tomorrow?

THE PRESIDENT: I don't know.

Q Is that question covered by Civil Service rules -- the use of political pressure?

THE PRESIDENT: I think there is something in the Civil Service rules about it but I am not certain. You will have to check on that.

Q Can you tell us what you are going to do with respect to extending the emergency rate of interest on Farm Bank loans?

THE PRESIDENT: Is that a separate bill or is it in some other bill?

Q It is in one bill.

THE PRESIDENT: I don't know yet.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #381
Executive Offices of the White House

July 13, 1937, 4.10 P.M.

MR. DONALDSON: All in.

THE PRESIDENT: Steve tells me I have no news.

Q Can you tell us, Mr. President, about the Housing Conference just concluded?

THE PRESIDENT: Well, it was a survey of the housing problem of the United States as a problem and, of course, the trouble is about giving any details on it that, frankly, if I were in your place I couldn't write a factual story because there are so many elements that if you bring up one or two or three it is not fair to the whole picture.

I will talk to you off the record about it, if you want, just for about five minutes. I have the notes I made. There (indicating) are my long-hand notes. It is quite interesting but this is off the record because, as I say, there is not any factual story in it; it is just a survey.

Last year, in 1936, we added 300,000 family units in the United States. We needed 500,000. We are running behind. Away back in 1926 we built 926,000 family units, which was probably overbuilding very distinctly because, when the depression began, we probably had a million excess

of family units and it took the first three or four years -- this part is all right for background, these are just figures --

MR. EARLY: Beginning in 1926, Sir?

THE PRESIDENT: Beginning in 1926 we built 926,000 family units and the result was that in 1926, 1927, 1928 and 1929 the overbuilding left us with a million too many family units. That is one of the things that contributed to the depression, the overbuilding. People could not occupy them. That was especially true of the apartment houses in the big cities, even Park Avenue, New York. From that time and up until the end of the first two or three years of the depression, when there was practically nothing built, we began -- we actually did absorb these million units too many. Since then we have been falling behind and the country is somewhere around 750,000 family unit[redacted] behind what it ought to be and is still falling behind, as is shown by last year's figures. We only built 300,000 units and we ought to have built 500,000 units just to keep even. Building operations -- you can still use this, this is all right -- building operations during the first part of this year held up but, beginning about, oh, I think about March, they began to fall off so that we are not even running at the present time to last year's level of 300,000 units.

Then we began to analyze what the reasons were for falling off in the building of housing units. It has been due in very large part to the increase in the actual cost of construction. It seems to be a fact that a few hundred dollars' increase in the cost of a family unit, talking now about home ownership, stops the demand; just a few hundred dollars extra stops the demand. People say, "No, I guess I won't build at this time."

Well, the type of house most in demand is about the $5,000 house. That is the average of the country, mind you. Some units are higher and, of course, in parts of the South it is lower, but the average is about $5,000 and it is found that when the cost of that unit goes up to $5,400 or $5,500 people just quit building.

This increase was due, in large part, to the increase in costs of material, in part to the increase in the cost of labor and in part, also, to the marking up of prices by dealers.

The conference also -- this was brought out in discussion -- also brought out that if a price correction takes place -- and the costs have gone down a little bit in the last three months, I think, since that time when I told you people about some things going too high, there has been a falling off, and if this price correction continues, they believe that the building activity will

start up again.

They brought out that there seems to be, from the point of view of the average home builder, a criterion in how much they can spend for a home, and the amount they feel they can spend for a home is about three times the amount of their annual income. That is an interesting thing. If a man is making $1,000 a year he feels he can obligate himself for a $3,000 home and if he is making $2,000 a year he feels he can obligate himself for a $6,000 home. These, of course, are average figures.

Today, for the same price as ten years ago, a man can get a better home with more things that go with it than went with the home in those days such as fitted closets, the stove, in some cases the refrigerator, etc. They go with the building costs instead of having to be supplied afterwards. You get a better fitted-out home. Financing of course we know has been made, largely by Government efforts, a great deal easier and a good deal cheaper.

Then we came today to another problem that has never yet been taken up seriously. You know that most of the efforts the Administration has made in the last four and a half years has been in behalf of existing home owners and prospective home owners. More than 50 per cent of the wage-earning population, as distinguished from the

farm population, however, lives in rented homes and the Administration has done practically nothing to bring down rentals paid by those people who, for various family reasons, do not figure out that they want to own a given home in a given place in perpetuity. The rental problem is a very serious one. In some of the communities that in the last year or two have had a great industrial development and, therefore, a big influx of population, families are paying as high as 50 per cent of their income for rent.

Now, of course, there was an old rule, the old American rule in the old days when Fred (Essary) and I were young -- the rule was that a family ought not to spend more than 20 per cent of their income for their rent. It was brought out that the usual rule in Europe is one-seventh or about 15 per cent for rent. So, taking it by and large, we Americans are paying altogether too much out of our income for rent.

Then, in developing that, I asked this informal group to study for me and to make some kind of a report on the question of rent -- an extension of the idea of the limited dividend corporation to be financed, however, not through bond issues and bank loans and savings bank investments for the usual 5 per cent that the savings bank expects to get, but more on the theory of using the savings of a great

many people to go into this. In other words, the general thought that there were an awful lot of families in this country who have $200 or $300 or $1,000 or $2,000 or $5,000 in the way of savings and, in the old days, they were accustomed to putting it into savings banks and getting 4 per cent -- even in the large communities of the East, you could get 4 per cent.

Because of low interest rates, most savings banks in that same territory where savings banks greatly exist, the Northeast, you cannot get more than 2 per cent today in most savings banks. So, today, there is a very, very large field for savings to go into some institution where they would get perhaps a little bit better than they would get by buying Henry Morgenthau's Baby Bonds at 2 7/8 per cent. I know, personally, hundreds of families where if they could get 3¼ per cent on their money, perfectly well secured, they would be perfectly delighted to put it into that kind of an institution.

That is the same general theory as the building and loan associations. Well, the building and loan association works primarily for the erection of homes that are owned by people. This would use the same principle in building houses that are to be rented by people. If they can be assured, if the savers of the country could be assured something like 3¼ per cent, something like that, I think

it would meet a very wide savings demand and, at the same time, encourage the building of more buildings for the rental half of the population at lower rents.

Now, as I say, this is merely today for, as you know, these study groups do not go into any detail. This is merely looking at the big picture of the needs of the country and there won't be anything doing at this session on it. It is still in the preliminary study stage. Out of it may come some suggestions on a practical way to put it into effect.

That is about all there is to the whole story. I think you can use that as background so long as you do not make it factual, so long as you make it perfectly clear that it is a preliminary study.

Q May I ask whether the study will be along the lines of a Government agency?

THE PRESIDENT: There you are, now you are getting factual. I haven't the faintest idea, not the faintest. We are working toward an objective. The methods haven't even been scratched.

Q Did you give any thought of using the Social Security funds, that is the big fund that will pile up after we get going on Social Security, as the fund that will be used for financing that sort of corporation?

THE PRESIDENT: That was not discussed. As you know, it has

been suggested that the Social Security kitty or, what do they call it, reserve, could be invested in enterprises that have Government approval, that yield a definite income so long as it is not speculative. It is along the same general idea as, let us say for example, if we were to build a new boulder dam. Well, before we actually built Boulder Dam we knew that Boulder Dam would pay. There was an absolute certainty. Practically, we had the contracts made for the sale of electricity and water from Boulder Dam before we ever poured any cement. We knew it would pay.

Instead of going out -- now, this is just a school of thought, I am not saying it is a Government program at all; I am just following out what you suggested. It is a school of thought that thinks that various Government trust funds could properly be invested in various projects where there was a surity of income. The people on the other side, who oppose it, say, "That is fine in theory but the danger is that if you once did it for an absolutely sure thing, some future Congress might compel you to do it for something that was unsound, without a sure income."

Q Was something said at the conference today about the possibility of lowering the down-payment on purchases of homes?

THE PRESIDENT: Oh, no. Oh, you mean the 10 per cent or 15 per cent?

Q About 20 per cent.

THE PRESIDENT: Merely mentioned; it was not discussed.

Q You referred to family units. Does that mean an apartment would be a family unit?

THE PRESIDENT: The number of families in it would constitute the number of units. A two-family house would be two units.

Q Mr. President, I have a report that you would be willing to allow the Court Plan, as amended, to go over at this session of Congress?

THE PRESIDENT: Have you, really. (Laughter)

Q Mr. President, a good many statesmen in Europe seem to be looking to you, still, for some leadership in the matter of International Economic Conference. George Lansbury quoted Mussolini in the morning papers as saying that if you would initiate a conference or even care to preside as chairman of a conference, he would be very glad to come in. Isn't there a little background we may have on that for guidance? It comes up every few days.

Rec'd 7/27/55

THE PRESIDENT: Yes, it comes up all the time. The only background I can give you on this is that all over Europe almost everybody, not only the members of governments over there but the man on the street, feels that in Europe they are up against a stone wall and that there is nobody in Europe that can solve it.

If the head of one nation takes it up, everybody else wants to bitehim and there are constant jealousies and balances of power and all those things. Therefore, it is a perfectly logical thing for them to look around for somebody outside of Europe to come forward with a hat and a rabbit in it and they think I got a hat with a rabbit in it. Well, that is about all there is to it. I haven't got a hat and I haven't got a rabbit in it. (Laughter) It is a perfectly natural impulse on their part. That is all I know about it. It comes to me about once a day, Fred (Essary), just as it comes to you.

Q Has the suggestion come to you seriously at all that you preside as chairman over an international --

THE PRESIDENT: No, and this has got to be off the record, you will remember that dear old George Lansberry was over here and he went back to Europe and told all sorts of things about me and now hehas come out from seeing Mussolini and is telling all sorts of things about him. Everybody loves old George Lansberry, but --

AdB 7-27-55

Q Did you say that this statement was for background?

THE PRESIDENT: Yes, all except that last thing about George Lansberry, that is off the record.

Q Could you tell us anything about your discussion this noon with Assistant Secretary Edison?

THE PRESIDENT: We went over a preliminary report from the Navy Expert about the building capacities of all the

Navy yards in the country. In other words, I am just taking time by the forelock. It is just a possibility -- call it even a remote possibility -- that we are in for quite a shipbuilding boom in this country. Now, there are very, very few private yards and if we had a shipbuilding boom they would very soon reach their capacity. The question would then come up about increasing American building capacity beyond the existing capacity.

Make it clear that it is not taking any business away from anybody that has got any business at the present time; it is creating new facilities for additional new work over and above present capacity. Now, we have not only the Merchant Marine to consider but we have the possibility of a certain amount of Naval auxiliary construction under this bill -- I think it passed, did it not, the other day?

Q It is in conference.

THE PRESIDENT: It is in conference and we are merely surveying the Navy yards to see whether in some of the yards we can put in ways for the non-armored-ship type of construction as, for example, Boston, Philadelphia, Norfolk, Charleston and New Orleans, on this Coast. It is just a preliminary survey to see how much would be needed in the way of new ways and new tools.

Q Mr. President, when you were discussing the Housing Conference, you referred to prices, which caused me to wonder

whether any action had been taken on the suggestion of the Attorney General back in May that a committee be named to study revision of the Anti-Trust Laws. You remember you gave us the Attorney General's letter at that time.

THE PRESIDENT: I think it is being done but I would have to check up and find out who is doing it. I have forgotten. I did something about it but what it was I don't know.

Q Mr. President, what is your reaction to the House over-riding your veto on the Farm Credit Bill?

THE PRESIDENT: How do you mean 'reaction'?

Q Do you have any?

THE PRESIDENT: Oh, no; I never have reactions. (Laughter) Out loud, anyway. (Laughter)

Q Mr. President, your survey of the Naval yards situation: Does that contemplate going into the matter of probably helping to re-establish some of the older shipyards that are now more or less extinct?

THE PRESIDENT: Not necessarily. It is a matter of how much it costs in each place; a matter of dollars and cents.

Q Is it possibly a shipbuilding boom concerned with war ships, merchant ships or both?

THE PRESIDENT: Primarily merchant ships. Under this Naval Reserve Bill we might start a couple of ships. That is not exactly a building boom, to start a couple of ships.

If you started five battleships, such as the British are going to start, that would be a boom, would it not Mr. President?

THE PRESIDENT: Yes, that would. (Laughter)

Q Could you comment, Mr. President, on the Japanese-Chinese fighting?

THE PRESIDENT: You will have to ask the Secretary of State.

Q Mr. President, are you making any survey of airplane construction facilities?

THE PRESIDENT: Yes, somebody is doing that.

Q Would additional legislation be necessary, Sir, to permit the Navy to build auxiliary ships in Navy yards?

THE PRESIDENT: No, I don't think so; I don't know. As a matter of fact, I asked somebody to look it up for me the other day. You will have to keep this off the record but Joe Kennedy told me that somebody had looked it up for him and that the Navy could build ships in the Navy yards for any Government department. I am inclined to think he is right because without any legislation we built the new Coast Guard Cutters for the Treasury. I think the Government can build any ships for any Government department.

Q My idea of an auxiliary is a passenger ship or a freight ship that can be converted into a Navy ship on occasion. Is that what you had in mind?

THE PRESIDENT: In talking about auxiliary ships, I am talking about Navy oil tankers and hospital ships and things of that kind -- supply ships.

Q The Bill would require that at least half of them be built in Navy yards; does that program require construction of ways at New Orleans?

THE PRESIDENT: New Orleans is one of the five yards on this Coast being surveyed.

Q Is the Brooklyn Navy Yard being surveyed?

THE PRESIDENT: I eliminated the Brooklyn Navy Yard because it is very, very congested in points of acreage. It is the main ship-repair yard on this Coast and it is a battleship-building yard. They have all they can handle.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #382
Executive Offices of the White House

Tuesday, July 20, 1937, 4.10 P.M.

Q We are still minus the Dean (Mr. Young) today.

THE PRESIDENT: (Motioning to one of the ladies of the press to take the Dean's chair). For the sake of the people behind. Your hat may disturb them.

Q I usually take it off.

Q I see the new tarpon is mounted.

THE PRESIDENT: I wish you would talk to Ross McIntire and Pa (Watson) about that tarpon because they swear they caught a tarpon about five feet long and the ones that came up are only about four feet long.

Q He is a pretty big fellow.

THE PRESIDENT: Why they mounted that little minnow there, I do not know. It is perfectly silly.

Q That is the one that Elliott caught?

THE PRESIDENT: I think it is the one that Elliott caught, but it does not measure up to Elliott's fish. His measured 5' 8½" and as far as we can measure this, it is only about 5' 2".

Q The little one looks like a nice sized mountain trout.

THE PRESIDENT: Poor old Pa (Watson) is fit to be tied. He says they got the wrong fish.

Q That is why he hasn't been around.

THE PRESIDENT: He has the wrong fish and he has to pay for it, 25 bucks.

Q I think he is giving it to the country club.

THE PRESIDENT: You know, as a matter of fact, none of us wanted the fish mounted, but there was local pressure.

MR. DONALDSON: All in.

THE PRESIDENT: I don't think there is anything at all.

Q Mr. President, there is a report on the Hill that you are going to confer later this afternoon with the Vice President and Senators Harrison, Barkley and Pittman.

THE PRESIDENT: Yes, they are coming down at half past four.

Q At what hour did you say, Sir?

THE PRESIDENT: At half past four, Fred (Essary). That will give you a chance to get some supper.

Q Will you clear up the confusion over the court issue at this particular time? (Laughter)

THE PRESIDENT: That, I might add, is a classic. (Laughter) Kannee, will you embalm that in your notes.

Q What is the answer?

THE PRESIDENT: That is a classic.

Q Is that the answer?

THE PRESIDENT: Yes, yes. A classic question.

Q Would you tell us what you told Senator Harrison about your neutrality in the leadership contest?

THE PRESIDENT: Nothing to tell you. It is very obvious and has been from the very beginning. It is the same thing as usual.

Q That is a matter for the Senate?

THE PRESIDENT: Sure, just like the Speakership and Majority Leadership of the House. There is no change.

Q Mr. President, have you read the letter sent by the Governor of New York to the Senator from New York?

THE PRESIDENT: I read it when it came out on the ticker and I don't think it was all down. I have not read the full letter yet.

Q Will you comment, Sir, on what you did read?

THE PRESIDENT: No.

Q Will you comment on Senator Copeland's remark that Mayor La Guardia should be the candidate of the New Deal?

THE PRESIDENT: No; it is a local matter. (Laughter)

Q Mr. President, can you tell us what this conference at four thirty is about?

THE PRESIDENT: No; affairs of the Nation.

Q Mr. President, do you intend to press for a bill affecting the Supreme Court along the lines of those presented originally?

THE PRESIDENT: Nothing further to add; no further news today.

Q Will there be a White House Conference, a White House statement, after the conference this afternoon?

THE PRESIDENT: No. You can get what you can out of them. I think it will probably be very little. (Laughter)

Q Less than we are getting here? (Laughter)

THE PRESIDENT: None. (Laughter)

Q Mr. President, there has been a report from Kansas City that Tom Pendergast and James Aylward, who is State Chairman there, have, at the White House request, wired Senator Truman, asking him to support Senator Barkley for Majority Leadership.

THE PRESIDENT: Never heard of it, except that Steve told me about ten minutes ago and I said the same thing to Steve.

Q Mr. President, have you any comment on the Farm Bill that Congressman Jones presented to the committee today?

THE PRESIDENT: I have not seen it. He told me he was working on it last Saturday. We haven't gone into the details yet so I cannot tell you anything about it, not having seen it.

Q Speaker Bankhead said yesterday that there were four Administration measures, the Farm Bill, the Government Reorganization, the Loopholes Bill and the Wages and Hours Bill, that they wanted considered before adjournment. Do you think all those bills should be passed this session?

THE PRESIDENT: You know what I said all along about legislation. I think I have recommended certain objectives

on all those subjects as desirable. There is no more "must" legislation now than there was the last time I talked about it in February and March and December and January.

Q "Must" legislation?

THE PRESIDENT: I said, "There is no more 'must' legislation now than there was then." They are all desirable objectives.

Q You told us to stop using that word, "must". It is a "preferred" list.

THE PRESIDENT: I said, "desirable".

Q Would you consider Housing Legislation desirable too?

THE PRESIDENT: Yes.

Q Is the Court still in the first preferred class?

THE PRESIDENT: I never mentioned "first preferred class." I said, "desirable".

Q Preferred class?

THE PRESIDENT: It is all desirable legislation and has been recommended. In fact anything recommended, from the point of view of the recommendor, is desirable.

Q Do you consider appointing anyone to the vacancy on the Supreme Court?

THE PRESIDENT: Not yet.

Q Any comment on the House mutterings on the cost of the Earhart search?

THE PRESIDENT: What was that?

Q On the House mutterings on the Earhart search.-- request for investigation and what not.

THE PRESIDENT: I did not know there was any mutterings. I saw a U.P. dispatch from Honolulu yesterday which said that the cost of the search has been $4,000,000 to the Government.

Of course, a thing like that is just plain prevarication. That is the politest term to call it, a so-called news dispatch.

Actually, as you probably know, every Navy plane on a ship like the Lexington or a ship like the Colorado has to do so many hours in the air during the course of a year. Well, this counts towards the number of hours in the air. Therefore there is no additional cost because of the cost of keeping the plane in the air because the money would be spent whether they were doing a search problem of this kind or whether they were doing a maneuver.

It is the same way on the fuel oil. The Navy had a very skimpy -- from the point of view of efficiency -- a skimpy allowance for fuel oil. They have to be very careful how they spend it and they have to stay within the allowance of fuel oil in the course of a year. Each ship, as a general proposition, is limited to the amount of fuel oil she is supposed to use -- within its

quota of the appropriation from the Congress. While the search entailed a slightly faster use of fuel oil than they would use on ordinary cruising, it is not any faster use of it than they would use on the annual maneuvers where the Lexington has to proceed at full speed, where a whole battleship squadron has to move at 19 or 20 or 21 knots in regular maneuvers. So the cost to the Government is absolutely no greater on the use of fuel oil than it would have been had they not made any search.

There are two other points, of course. A mission of this particular kind is a sad mission to have to go on, especially when it results in not finding Miss Earhart. But, at the same time, it is pretty valuable experience and training for the Navy. The Lexington did a perfectly amazing job in getting away, the way she did from Los Angeles. It was quite a feat. It was practice, very excellent practice, and it was a good thing. She took all of her planes on board and took on all of her officers and men and got under way in sixteen hours from the time the order was given. It was a good job.

The only other point to make is that the Navy would do this in the case of any American, rich or poor, where there was some chance of saving life and they knew where

to go. In this instance we all thought we knew where to go. We would have done it for the poorest citizen.

So much for that and the U.P. dispatch.

Q In connection with that phase of the situation, I think Assistant Secretary of Commerce Monroe Johnson has said that there would be no more stunt-flying permits granted. It is not necessarily on account of the Earhart disappearance. Do you believe that is a good policy? Will that policy meet with your approval?

THE PRESIDENT: What he told me -- it was not spot news quite of that kind. It takes a little explaining and that was that we are supposed -- the Department of Commerce is supposed to keep on the ground any plane that does not seem entirely fitted, both in mechanism and its personnel, for a flight. That is all there is to it.

Q Can you tell us anything about your conference yesterday with James J. Walker?

THE PRESIDENT: He told you about it. We talked about the old matter of a bridge which started back in 1890 and it has not been built yet. They are still talking about it.

Q Did you talk about old times, Mr. President? (Laughter)

Q Are you contemplating making any radio speeches in the near future?

THE PRESIDENT: No.

Q Are you giving any consideration to applying the Neutrality Act between Japan and China?

THE PRESIDENT: Why should I?

Q The question arises whether they are fighting and it is up to you to determine.

THE PRESIDENT: Oh, I don't think there is any question arisen yet.

Q In connection with the legislation you class as being "desirable", the fact that some of it might be put over until possibly the next Session of Congress would not lessen its desirability, would it?

THE PRESIDENT: You are getting into the "iffy" realm.

Q I meant should there be a postponement.

THE PRESIDENT: It is still "iffy".

Q Is there anything we have not asked you that you could suggest? (Laughter)

Q We would like to get a little pay-dirt here today.

THE PRESIDENT: Let's see. I said to Steve at 3 o'clock, "Have we got anything on our chests?" And he said, "No".

Q He was kidding you.

THE PRESIDENT: I almost said, "Have we anything on our minds?" He might have said, "No", the same way.

Q May we say, "Thank you, Mr. President." (Laughter)

CONFIDENTIAL
Press Conference #383
Executive Offices of the White House
July 23, 1937 - 10.40 A.M.

(Former Senator Simmons of North Carolina attended this Press Conference, being seated behind the President.)

MR. YOUNG: Good morning. What did you think of that Jefferson picture yesterday by old Kosciusko?

THE PRESIDENT: Very interesting. I had been trying to find out what it was.

Q It looked very much like a hand-colored print.

THE PRESIDENT: There was an engraving done by a Frenchman about the same time.

Q This one had him with red hair and a wig.

THE PRESIDENT: He may have dyed it.

Q Did you ever see one with a white wig on?

THE PRESIDENT: Sometimes, when they had a lot of hair, they dyed it.

Q Was it a good portrait?

THE PRESIDENT: Very good.

Q Did it look as though it was by somebody who had seen him?

THE PRESIDENT: Yes. Kosciusko was an artist in his younger days.

Q Did you read where he eloped with one of his pupils?

THE PRESIDENT: Yes.

Q We had a tough time with his name. One book said his name was spelled with a "z", and one book said his name was spelled without a "z".

THE PRESIDENT: With a "z", I think.

MR. DONALDSON: All in.

THE PRESIDENT: Some of you older people will be very glad to welcome an old Washington friend of ours, Senator Simmons of North Carolina. He has not been down here for a long time. (Applause)

Outside of that I don't think there is any particular news. I am going down the river at ten o'clock tonight. Senator Barkley is going with me and I think Bob LaFollette and his wife.

Q Do you plan any further campaign with regard to the Supreme Court?

THE PRESIDENT: Further campaign?

Q Yes, sir.

THE PRESIDENT: I haven't made any campaign; I sent a message to the Congress.

Q Do you have any further efforts in mind?

THE PRESIDENT: They are still working up there.

Q Can you give us a comment on the situation, Mr. President?

THE PRESIDENT: Oh, I don't know that any comment is necessary.

I think it goes back, just for background, to fundamentals and objectives just the same way we talked about right along. There were, as you know, certain original objectives.

Well, go back to the days when Senator Simmons was here, in his early days, even.

There was a lot of feeling back in T.R.'s time about the need for judicial reform and it took the form, in the 1912 campaign, of the Progressive Party asking for all kinds of things like recall of judges and overriding of decisions by popular vote. Well, the interesting thing was that for about fifteen or twenty years that demand on the part of a very large group of Americans had an enormous effect on the courts, as you all know. Even as late as 1924.the elder Senator LaFollette and Senator Wheeler, on the LaFollette-Wheeler ticket, ran on a platform that demanded all kinds of drastic things. And, during those years when there was agitation for judicial reform, there were some pretty effective results. The courts listened and they legislated

-- (laughter) I mean they decided -- (laughter) it is the same thing, they made their decisions more on judicial lines than on legislative lines and of course later on, when the cry had died during the Coolidge administration and the Hoover administration, there was a great deal more in the way of legislative action on the part of the courts. Of course, the people of the country have always realized that courts should be judicial and not legislative.

The same thing had to be done again this year. The result was a message for the improvement of the whole judicial system and it is rather interesting that a large, a good part of that objective has already been obtained, temporarily. I say, "temporarily", but I hope permanently. I was getting a rather interesting check on what has happened, a comparison between what has happened and this past term of the Supreme Court. Before the 5th of February, the Supreme Court held the Triple A unconstitutional, limiting the Federal spending power. After the 5th of February, through the Social Security case, they, in effect, overruled the Triple A case. It was a new interpretation of Federal spending and taxing power.

Before the 5th of February they held the Guffey Act unconstitutional, limiting the Federal commerce power, and after the 5th of February they held the Wagner Act constitutional, reversing the Guffey case. It was a new interpretation of the Federal commerce power.

Before the 5th of February they held the New York Minimum Wage Law unconstitutional, limiting the states through the Due Process clause. They reversed that in the Washington Minimum Wage case, overruling the New York Minimum Wage case, which was a new interpretation of the Due Process clause applied to the states.

The net result is that we have obtained certain objectives, talking in the large.

The country still wants assurance -- I put it this way -- assurance of the continuity of that objective, and the country, of course, wants a better judicial mechanism by giving maximum justice in minimum time.

On that, of course, bringing it down to the current situation, there is nothing more that I can say except that the general purpose back of the Barkley letter last week -- put it this way -- naturally, it is the duty of the President to propose and it is the

privilege of the Congress to dispose.

There has been another very great gain, and that is that the country as much as and probably more than in the 1910 to '12 era, is not only Court-conscious, but it is Constitution-minded, which is a tremendous factor, and understands pretty thoroughly today, the great majority, that the Constitution is not intended to block social and economic reforms through Court legislation, if those social and economic reforms are necessary to the Nation for its general welfare with changing times.

So, that is the current situation -- again looking at the forest and not the trees.

Q Are you satisfied with it, sir, as far as it has gone?

THE PRESIDENT: With the progress so far?

Q Yes, sir.

THE PRESIDENT: Well, we are getting somewhere, but we have a long ways to go because the country, I think, really pretty well understands what it is all about.

Q How much of that is off the record?

THE PRESIDENT: You can use it all for background.

Q On a local matter, Congress has passed that bill repealing the so-called "Marriage Clause". Are you familiar with it?

THE PRESIDENT: I am going to sign it today.

Q Today?

THE PRESIDENT: I understand it is on its way.

Q On the Supreme Court question, do you intend to send the nomination of Justice Van Devanter's successor to the Senate shortly?

THE PRESIDENT: Not yet.

Q Have you, sir, had any satisfactory conversations with Congressional leaders as to what further legislation might be desirable?

THE PRESIDENT: Well, Fred (Essary), I think the only thing one can say about that is that if you go through the messages you will find that there are quite a number of recommendations that have been made. Again, that is up to the President to suggest and to the Congress to act on, one way or the other. They have three methods of acting on it. One is not acting at all, which is an Irish way of putting it; another is to reject it, and another to put it through.

There are quite a number of those things which, again for background, are rather essential to the future of the country. There is a certain element which need not be named, you know them, I might say, better

than I do, who say, "Let us go home and do nothing."

I had a very prominent publisher come in the other day, and he said, "What do you want anything new for? Why, everybody is so prosperous, they don't know what to do. The crops are big and the prices for crops are fine and there is more employment, re-employment, all the time in industry than ever before."

And I said to him, "You are an old man, like me. You remember as far back as the Coolidge administration. You remember the attitude in those years of 1927 and 1928 and 1929, the first three-quarters of 1929: 'Everything is lovely, boys; don't rock the boat. Everything is fine. Everybody is making money. Look at the Stock Exchange. Everything is grand. The first thing you know we will have one chicken in every pot and two cars in every garage, if we just let everything alone.'"

Well, of course, there are a lot of things, but I will just cite one simple example. Suppose, for the sake of argument, we do not do anything about cotton crops. Well, this year Nature has been good to us and we are raising, I don't know what, fourteen and a half million bales of cotton -- something like that. Now,

we have the cotton carry-over cut down to a pretty reasonable point so that it is not hanging over the market, it is not depressing prices. Well, if this fourteen and a half million bale crop materializes -- they still have to pick most of it, all of it in fact -- we probably can not possibly use for export all of that crop. It means we will add a lot to the surplus. Suppose Nature is good again next year, and, by the way, they put cotton into the ground in Southern Georgia and Northern Florida around the end of February and beginning of March. Suppose they raise another fourteen and a half million bales next year and the Government does not do anything about it? It is always possible we might see 8¢ cotton again or 7¢ cotton or 6¢ cotton. Now, that is very hard to answer, and this particular publisher found it hard to answer. He finally said, "Well, let Nature take its course." I said, "Yes, you see what happened in 1929 when Nature was allowed to take its course."

I just cited that as an example. You can go on with that in relation to all the other crops, to wages and hours, reorganization of Government, housing, all those things.

There is the situation. It is in the lap of the

Legislative Branch of the Government. It is tied up with what the future of the country is going to be, whether it is going to be uncontrolled with the possibility of 1929 over again, or reasonable legislation that will seek to prevent a crash.

Q Mr. President, with Congress figuring on getting away in the middle of August, is it too early for you to say whether you have any plans for yourself?

THE PRESIDENT: I haven't got a plan -- not a plan.

Q Do you feel you could safely wait until the next session for this legislation to which you have been referring?

THE PRESIDENT: That is a question we haven't come to yet; it is a bridge we haven't crossed.

Q Mr. President, why do you pick on ten o'clock tonight as the time you are going to leave? Is something keeping you in town?

THE PRESIDENT: I just want to get my basket clean before I go.

Q Do you think it is desirable that Congress adjourn at an early date?

THE PRESIDENT: I should say that was entirely within the discretion of the Congress.

Q There are some reports of a special session should they adjourn early.

THE PRESIDENT: I just answered that, in effect; we cannot cross bridges until we come to them.

Q Mr. President, have you gotten from the Board of Army Engineers their recommendations on the flood control projects to be undertaken this year?

THE PRESIDENT: I don't think so. You mean on the general thing?

Q Yes.

THE PRESIDENT: I don't think so. I understood yesterday, on the New England States Compact that they have consulted with the Federal Power Commission and are making a report on the Compact.

Q You are returning Sunday night or Monday morning?

THE PRESIDENT: I am returning Sunday, late afternoon. It is all dependent, my going away, on whether the foreign situation breaks loose again. It is quiet for the moment. I will not go if it gets worse.

MR. YOUNG: Thank you, Mr. President. (Mr. Young whispered to the President, "I was going to ask you what kind of a shirt the publisher wore.")

CONFIDENTIAL
Press Conference #384
Executive Offices of the White House
July 27, 1937 - 4:05 P.M.

THE PRESIDENT: Well, Dean, I haven't seen you for a long time. How are you and how is your behavior?

MR. YOUNG: Wonderful, sir.

THE PRESIDENT: Did you know that you are taking a chair away from a lady?

Q He did not know that. They were afraid to put anybody else in his seat.

THE PRESIDENT: Did you notice that he did not get up and let you have it? Seven people can see as long as he sits down.

Q What is that? (Referring to print which the President was examining)

THE PRESIDENT: A fellow sent them to me. They are terribly crude but they are two original old prints showing the Hudson Highlands. They are more than a hundred and ten years old. They are water colors.

Q Is that a steel engraving?

THE PRESIDENT: It is some kind of a wash drawing. It must have been pretty early because the speedboat is of the 1815 period.

Q Even the Narrows would be wider than that.

THE PRESIDENT: Yes.

Q Do you think you can get away this week-end, Mr. President?

THE PRESIDENT: I think so.

MR. DONALDSON: All in.

THE PRESIDENT: Charlie Michelson whispered in my ear that there isn't any other news today and here is a chance for a good story but he did not give me enough notice.

Q Mr. President, do you share the views of the Federal Power Commission with respect to the Connecticut Valley flood control?

THE PRESIDENT: It is a terribly mixed up thing. I cannot tell you offhand.

Q The Commission made a report to the Senate Committee today which was unfavorable, but the Committee disregarded it and reported the bill out favorably.

THE PRESIDENT: I don't know; it is a very technical matter. I cannot comment on it intelligently now.

Q Still on power, can you tell us more about your meeting with the Rankin group today?

THE PRESIDENT: That again was a technical matter. It is a question of this proposed contract between T.V.A. and the Arkansas Power and Light. It is so technical you will have to get it from somebody else. It is a question that probably eventually will have

to go to the Attorney General.

Q Mr. President, have you withdrawn your opposition to the Millard Tydings Retail Price Maintenance Bill?

THE PRESIDENT: I haven't heard of it since I wrote some letters a long time ago.

Q Have you satisfied yourself, Sir, that you must make a Supreme Court appointment while Congress is still sitting?

THE PRESIDENT: I asked the Attorney General for an opinion and I haven't had it as yet.

Q It has not come in yet?

THE PRESIDENT: No.

Q Do you know the history of that; have you looked at the history?

THE PRESIDENT: No. I think, Fred (Essary), that other Presidential appointments can and have always been filled at a recess even where the vacancies existed during the session of the Senate. That is the general rule that has always applied in the past and I don't think it has ever been questioned. I am not talking about the Supreme Court, I am talking about other appointments. They take the oath of office and serve legally and then their names are sent to the Senate the next session and if they are turned down by the Senate, obviously they are out originally, but as an

act of grace, the Congress has been in the habit of giving them their back salary. I think that has been the usual rule.

Q I was thinking in terms only of vacancies that occurred while Congress was sitting. Of course such a vacancy --

THE PRESIDENT: It has been done time and again with respect to other vacancies. I don't know about the Supreme Court.

Q How would that affect the legality of opinions in case --

THE PRESIDENT: Just the same way it would affect the administrative acts of an administrative official - entirely legal.

Q Though they were not -- (interrupted)

THE PRESIDENT: Oh, no.

Q Do you think the Wagner Housing Bill is in satisfactory shape in the form the Senate Committee reported it out?

THE PRESIDENT: I don't know; I cannot keep track of all the changes that occur in the various bills.

Q Has the successor to Justice VanDevanter been chosen yet?

THE PRESIDENT: No; no change from the last meeting. We will have a sign made, it is all right.

Q Do you hope to make the appointment before Congress adjourns?

THE PRESIDENT: I don't know; I haven't given it any thought.

Q Have you received any report from the Departments yet on any savings in relation to your recent economy communication?

THE PRESIDENT: They are coming along very well.

Q Mr. President, as to your decision on the War Department building and the Jefferson Memorial, is that an indication that you are going to go ahead down the line of public buildings?

THE PRESIDENT: What ones are there?

Q Social Security building, Sir.

THE PRESIDENT: We did not mention the Social Securities building the other day.

Q We have a Jefferson Memorial at St. Louis. (Laughter)

THE PRESIDENT: We only mentioned the War Department here and Cliff Woodrum was very anxious to put that off until next year. I explained to him that of all the Departments, the War Department was the most diffused around Washington - 19 buildings - and, when we come to housing some more of our people who are in rented quarters, we all felt the War Department ought to be taken care of because they are all split up all over

the place. We did not mention anything else.

Q Any possibility you will make that Pacific trip to the Philippines this year?

THE PRESIDENT: No; there never has been. (Laughter)

Q Mr. President, have you acted yet on the War Department recommendation for flood control projects this year?

THE PRESIDENT: Have I?

Q Yes, Sir?

THE PRESIDENT: I don't know; I don't think so, but I don't know.

Q Would Steve know, if I asked Steve?

THE PRESIDENT: Steve shook his head, that is one reason why I said I did not know. (Laughter)

I was talking with Steve and he asked me and thought it would be helpful, as a result of last Friday's press conference, if I would make one thing a little more clear in regard to background news, so I think this can be made clear so there will not be any question again:

Background news is for your use and you may attribute it to me, provided it is written in the third person. That will make it much easier for you to write most of your stories.

Remember too, of course, direct quotes may

only be used when special permission is given or when the statement is released in written form.

Then, in order not to confuse this word "background" that we have used on a number of occasions, I think we could put in for very occasional use the category of "information, not for attribution." You know, every once in a while, pretty rarely, I do tell you things which you can use as long as you do not have it appear that it came out of the White House. That will be very, very rare, only a couple of times a year, if there is anything of that kind. We will not call it background, we will call it "information, not for attribution."

And then, of course the "off the record" stuff is confidential. You do not have much of that.

Is that alright?

Q That is fine.

Q In connection with your proposed trip down to Manteo, can you tell us whether you intend to make any stop in Norfolk?

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THE PRESIDENT: I don't think I will have any time. It comes in the middle of the week. I think I will probably motor back to the Norfolk Navy Yard -- that is, the Portsmouth Navy Yard. I think I will motor back from Manteo to the Portsmouth Navy Yard and go

aboard the Potomac and be back here the next morning.

Q Going down, you do not know whether you will go to Norfolk or not?

THE PRESIDENT: I think I will probably go down by train so as to save time.

Q Some of the trains go through Norfolk.

THE PRESIDENT: It will be in the middle of the night.

Q Oh, it will be in the middle of the night; I am sorry.

Q Mr. President, have you any comments on the criticisms voiced by Senator Nye and, I think, by General Johnson in regard to the alleged partiality of the Labor Board?

THE PRESIDENT: Only for -- what did I call it? -- background. There was another story, I don't know who wrote it. The situation must be, on the whole, a pretty fair one because some of the labor people are saying we are leaning over backwards "agin" them and Hugh Johnson says we are leaning over backwards towards them. So that means the position we are taking is pretty fair.

Q Would you care to discuss your opinion of an amendment to the Wagner Act making unions and employers mutually responsible for signed contracts?

THE PRESIDENT: No, it is too difficult a subject.

I will tell you what would clarify things if you could read British acts in regard to that. Their unions, you know, are not incorporated and yet they are pretty responsible. They have a pretty good system.

Q They have penalties.

THE PRESIDENT: I don't think we could copy their system in toto or anything like that but there is a fair degree of mutual responsibility. Of course, if you look back into the records for the past ten years you will find that there have been a great many violations of agreements on both sides. That is a factor which a certain type of newspaper publisher does not like to have in his paper or in his editorial, but there have been a great many violations of agreements by employers in the past ten years, speaking as a general, simple fact. It is not, by any means, lopsided.

Q This is in England, Sir?

THE PRESIDENT: No, here.

Q Do you think the Wagner Act could be clarified in that respect to make it stronger?

THE PRESIDENT: That I don't know. I would not care to comment because I have not studied the details.

Q Didn't you get a report from some branch of the Government in respect to the responsibility of labor?

THE PRESIDENT: I don't think so; who from?

Q I don't know.

Q Have you discussed the possibility of holding off the recess of Congress so that the Farm Bill might pass?

THE PRESIDENT: That is up to the Congress.

Q I am not exactly clear on the War Department matter. Do you expect to authorize the beginning of the War Department building under this Third Deficiency Bill?

THE PRESIDENT: No; Cliff Woodrum wants to defer that until next year's bill.

Q And these others?

THE PRESIDENT: I don't know; I only talked about the War Department building.

Q He mentioned the Jefferson Memorial.

THE PRESIDENT: I told him what was perfectly true, that if he could save a violation of the budget figures by eliminating the War Department this year and thereby eliminating a lot of other projects outside of Washington -- we were talking about the ones outside of Washington -- it is alright. I want to try to keep the budget balanced.

Q Referring back to the Labor Board matter. There was a story this morning that you had asked the Board to

give you a report on its work. Is there anything on that?

THE PRESIDENT: I am afraid I haven't even read it.

Q Can you tell us if your conversation this afternoon with the two Navy Admirals had any bearing on the survey you are having made regarding the Navy's capacity to build ships?

THE PRESIDENT: Never mentioned it.

Q Can you tell us what you did mention?

THE PRESIDENT: Yes, we talked about the creation of four adequate Naval Reserves, both of officers and men, on the general theory that we discovered in the World War. We went into the World War without any reserves at all to speak of and we had to take into the Navy during the World War three hundred and fifty thousand additional officers and men and we had to train them in the middle of the War.

Therefore, we are working on a plan to have a larger Naval Reserve, both of officers and men. We are working on the general theory that there are a great many boys of high school and college age who would like to get some training during the summer-time, active training at Naval Stations and aboard ships, without pay, free board, free lodging and free clothes. So, in case of war, they would fit in

logically -- (Interruption)

Q Similar to the Army Camps?

THE PRESIDENT: -- in a definite place.

Q Similar to Army Camps?

THE PRESIDENT: Rather a different system.

Q Did you have in mind the number of reserves?

THE PRESIDENT: I could not tell you.

Q Was it less than three hundred and fifty thousand?

THE PRESIDENT: Oh, my yes. Well under a hundred thousand.

Q How do you figure on this plan?

THE PRESIDENT: It is a question of getting started in a small way and if it works, build it up. Practically the only cost to the Government would be board, lodgings and dungarees and possibly paying their way to the training station or ship from their homes.

Q I was on that Civilian Naval Training Cruise in 1916.

THE PRESIDENT: You were on that famous one? I was on that too.

Q Would it be anything like that?

THE PRESIDENT: No, the idea -- (Laughter) did you like it?

Q We did not have very much to do.

THE PRESIDENT: That is just it; that is just it. It was

a nice, yachting cruise.

Q But, in outline, it was similar to this.

THE PRESIDENT: No. The idea is that there are an awful lot of boys in this country who are sixteen, seventeen, eighteen years old. We would give them a chance during their summer holidays, during their holidays while in school, give them a chance, without any actual expense, to go to one of the Naval Training Schools -- on the West Coast, like the California one or the Great Lakes or the two or three on this coast.

Q Don't forget Newport.

THE PRESIDENT: That is one of the three on the coast that I mentioned. We would give them a month in the training station to teach the rudiments, teach them how to keep clean. Of course, that is the first essential. It takes about a month to teach them how to keep clean.

Q Can you do that -- (Interruption)

THE PRESIDENT: And teach them a certain amount of seamanship -- (Laughter)

Q They thought I was going to say, "Can you teach them how to keep clean?" I was saying, can you do it without an act of Congress? (Laughter)

THE PRESIDENT: You see, the cost would not be very great.

We would buy their railroad ticket from their homes to the training station and back to their homes. If they liked the work, they would fit in for a further cruise the second year where they would specialize, going in for small boat engines or large boat engines or deck duty or ordinance duty or signal duty and then they would get a rating so that the event of war they would have a chance to go right straight into the Navy with a definite position.

Q Did you go beyond personnel?

THE PRESIDENT: No.

Q Did you discuss increases in the Fleet?

THE PRESIDENT: No.

Q Getting back to this training, does that take into consideration any increase in the Naval Reserve Officers Training Corps?

THE PRESIDENT: No.

Q This would be for men rather than officers.

THE PRESIDENT: Officers is a different thing. We were talking about officers. There are a great many youngsters, college age, who are going through the Officers Training Corps, which means four courses and then a cruise and then they get a commission as Ensign. We were talking about

those boys who do not want to drop out in college - we would give them two summers of six weeks each, which is the equivalent, because it would give them a total of three months intensive training in navigation and so forth.

Q Can you figure now the scope in which you want to put this out, how much it is going to cost?

THE PRESIDENT: Oh, Heavens, we haven't even considered that yet. It will cost a great deal less than the bills which have been introduced in Congress because they are all based on the theory of paying boys to go into the Reserve. This is based on the idea of giving them free board, lodging and dungarees and their tickets from and back to their homes, without pay.

Q Can't you do that with just an item in the Appropriation Bill?

THE PRESIDENT: I [can] think we can do it merely with an appropriation.

Q Will the success of the trans-Polar flights hasten the creation of Navy air bases or Army air bases under the Wilcox Bill?

THE PRESIDENT: I will have to consult the Ouija Board, I don't know. (Laughter)

Q This plan to increase the Naval Reserve looks like

another in a series of steps towards preparedness.

THE PRESIDENT: No.

Q No such thing?

THE PRESIDENT: No, not a bit. It goes back to an old effort of mine after the War in 1919. The Army had not been prepared before the War with any reserves, outside of the militia. Neither had the Navy. I was very anxious to prevent that from happening again. The Army went ahead in grand shape and started their regular trained Officer Reserve. The Navy has done practically nothing about it during these eighteen years and it is time to get some kind of Naval Reserve started.

Q Will both of these lead to commissions?

THE PRESIDENT: Of course those boys who have college education or its equivalent are obviously officer material. That is one class. The other, that goes to the training station, will be mostly of the high school class. Of course, later on, after they have gone through the training station course, then they can go on up the line through the different ratings to Chief Petty Officer and then take the examination for Ensign.

MR. YOUNG; Thank you, Mr. President.

CONFIDENTIAL
Press Conference #385
Executive Offices of the White House
July 30, 1937 - 10.55 A.M.

THE PRESIDENT: How is the Ouija board?

Q I wrote an awful piece about that; did you see it?

MR. DONALDSON: All in.

Q Mr. President, can you tell us about your week-end visit with Governor Frank Murphy?

THE PRESIDENT: Oh, I haven't seen him for a long time. There isn't any news on it.

Q Are you going to discuss labor?

THE PRESIDENT: I doubt it; just a social week-end.

Q Have you decided on your cruise for the week-end?

THE PRESIDENT: Not definitely; I am going aboard tonight and staying pretty close to Washington on account of the Far Eastern situation, ready to get back in two or three hours at any time. I will get back probably Sunday noon anyway.

Q Where is the boat, here at the Navy Yard or at Annapolis?

THE PRESIDENT: Here.

Q Why is it necessary to be so close to home on that situation? Of course, I know what it is, but --

THE PRESIDENT: Well, it is a very disturbing situation with two great nations getting into trouble.

Q I know that. But the fact that you have to keep your foot at first base interests me. I wonder if there is anything to it.

THE PRESIDENT: It is pretty vital.

Q The Millard Tydings bill is through the Conference Committee. I understand there was another development on it downtown yesterday but it has not been uncovered as yet.

THE PRESIDENT: When, today? I had not heard it.

Q Yes, sir.

Q Has the Department of Justice advised you, sir, regarding the recess appointment of the Supreme Court Judge?

THE PRESIDENT: Fred (Essary), I think it came in late last night, but I am not dead sure. Anyway, I have not read it yet. I have a recollection of seeing it late last night.

Q If you read it in the course of the day, would you mind letting us have the substance of it this evening? It would be interesting.

THE PRESIDENT: I don't know; I have to read it first. I am not going to buy a pig in a poke. (Laughter)

Q Mr. President, have you taken action on the War Department recommendations for flood control projects?

THE PRESIDENT: No. Frankly, I do not know what the status is. Have I got them?

Q I understand you have, sir.

THE PRESIDENT: I don't think I have. Have you seen it?

(Turning to Mr. Early)

MR. EARLY: I don't remember.

THE PRESIDENT: I don't think I have got them. Will you check on it and let me know, or let Steve know. I don't think I have got them. (Laughter)

Q Will you make me one of your anonymous assistants?

(Laughter)

THE PRESIDENT: Did you say "anomalous"? (Laughter)

Q Would you care to comment on the report published in one of the newspapers this morning that the United States had joined with other nations in asking for a five-day armistice on the Japanese-Chinese situation? I have already asked the State Department.

THE PRESIDENT: You will have to ask the State Department again.

Q Have you heard any comment from William Green and from the Federation of Labor on the Wages and Hours Bill?

THE PRESIDENT: Only his statement of last night. I think that they are not satisfied, as he said, with the Bill as it was yesterday afternoon, but they hoped that it would be improved in the House and they hoped it would go through. I think that is substantially what he said.

Q Do you have an appointment with Mr. Green today?

THE PRESIDENT: Yes, he is coming in today at 11 o'clock.

Q Is it on that subject?

THE PRESIDENT: I don't think so; I think it is on something else.

Q Will you comment on the visit of the Italian Ambassador?

THE PRESIDENT: He is just going away. Came in to say "good-bye", and will be back about the 15th of September.

Q Mr. President, are you planning a trip to Hyde Park next week?

THE PRESIDENT: Maybe. It is just one of those things; maybe.

Q Short trip, Mr. President?

THE PRESIDENT: Oh, yes; two or three days.

Q Do you expect Congress to adjourn --

THE PRESIDENT: But I do not know whether I will go or not. It depends a good deal on what they do up on the Hill, whether they decide to go on through or go home.

Q Do you expect them to adjourn?

THE PRESIDENT: I don't know.

Q Can you tell us anything about your conference with Congressional leaders on the general legislative program?

THE PRESIDENT: Only what they told you.

MR. YOUNG: Thank you, Mr. President.

THE PRESIDENT: I wish there was some news, but there isn't. It is a very dull day.

CONFIDENTIAL
Press Conference #386
Executive Offices of the White House

August 3, 1937, 4:05 P.M.

(Before all of the members of the Press attending the conference got into the office there was a little informal discussion around the President's desk about fishing. The President told about some small pan fish, what appeared to him to be small black bass, which he had caught and which had made delicious eating.)

MR. DONALDSON: All in.

THE PRESIDENT: We were talking about the relative merit of different kinds of fish. I think that is about all the news I have.

Q Do you care to comment on Senator Borah's contention that no vacancy exists on the Court?

THE PRESIDENT: Only off the record, now that you know what that means. I read in in the yellow slips (United Press Reports) that Steve (Early) brought into me and I said to myself, "When I get back home tonight I am going to get out my copy of 'Alice in Wonderland', "because the colloquy between Brother Ashurst and Brother Borah reminded me of nothing so much as 'Alice in Wonderland'."

Q Off the record also, as far as your off the record or on the record or whatever it is -- (Laughter) according to your opinions from the Attorney General, do you believe that you may make an appointment to the Supreme Court to succeed Justice VanDevanter?

THE PRESIDENT: Oh, undoubtedly; absolutely.

Q Is that on the record or off the record?

THE PRESIDENT: That is on the record.

Q Would you care to indicate, Sir, about when that appointment may come?

THE PRESIDENT: Well, I will tell you. When it comes you are not going to have any notice of it at all. The first that will be known probably is when it actually goes up to the Senate.

Q When it goes up to the Senate?

THE PRESIDENT: Yes, when it goes up to the Senate, you will know. (Laughter) Don't go off the deep end on that, either. There are lots of things. That is probably the first you will know about it.

Q Is that remark deliberate, that part about when it goes to the Senate?

THE PRESIDENT: Yes, you can use that.

Q In all seriousness, does that mean there will be no recess appointment in this case?

THE PRESIDENT: It is just as I told you. I cannot write your story for you, Fred (Essary). (Laughter)

Q Will you discuss your Supreme Court reorganization program in your Constitution Day speech?

THE PRESIDENT: Constitution Day Reception?

Q September 17; Sol Bloom's party.

THE PRESIDENT: The answer is that I have forgotten that I was making a speech on Constitution Day until you reminded me of it.

Q Now that you do know of it, will you -- (Laughter)

THE PRESIDENT: What do you want, just a snap judgment on something I had not thought about at all? No, I cannot give it to you. I have not thought about it at all.

Q At the last conference you were contemplating a trip up to Hyde Park this coming week. Is that more definite?

THE PRESIDENT: Nothing is definite in this life. If everything is all quiet on the Far Eastern Front and on Capitol Hill, I am leaving on Friday, midnight, and getting there Saturday morning and probably coming back Sunday night and getting here Monday morning. But even

that is in the lap of the Gods.

Q Mr. President, there is quite a bit of agitation in the South for the Commodity Credit Corporation to make a twelve cent loan to check the decline in prices of cotton. Have you any comment to make on that?

THE PRESIDENT: If you want me to talk about cotton, for background, I can tell you what I have said before on so many occasions.

We inherited, in spite of - what was it called - the Farm Board in the Hoover Administration, we inherited in 1933, five cent cotton and a thirteen million bale carry-over. Then we adopted a policy in 1933. The first was to curtail crops until we got that carry-over down to a reasonable amount which we figured out, as long ago as that, to be around five million bales. Also, as a part of that policy, we started in to buy cotton to increase the price and maintain the price.

Obviously to go ahead and buy -- in other words, to loan money on cotton, which is the same thing -- if you do that without curtailment of surpluses you will bust the Treasury and the longer you keep it up the worse the Treasury goes broke. That is obvious.

The two things went hand in hand. We loaned money to take cotton off the market immediately but with the definite idea of the curtailment in crops. In that way you would be able to sell that surplus when the total of the carry-over was reduced to a normal point. The thing culminated this year. The past Spring we got the total carry-over down to about five million bales and the price was up over twelve cents. Everything hunky dory, lovely and everybody happy. And the price would have stayed around twelve cents if we had had a continuation of surplus control. That however was eliminated -- we know how and when. There has been no surplus control since then. Q.E.D.

This year you have one of the biggest crops that ever happened, fourteen and a half million bales of which about, in all probability, about four million bales will go into surplus on the basis of the present consumption and export. The result is that we face about a year from now, about the end of this year, about a nine million bale carry-over. Now, I have no intention of asking Congress for the right to lend money on that crop unless at the same time we have legislation

restoring surplus control, otherwise you are just selling into a bag or buying out of a bottomless sack, which is a better description.

Q It was brought out on the Senate Floor that you have thought in mind that the Commodity Credit Corporation would make these loans now without any additional legislation from the Congress.

THE PRESIDENT: I cannot make loans until we have some solution in the future of the surplus problem.

Q With equivalent figures, can that same thing be applied to other crops?

THE PRESIDENT: It applies absolutely the same way, with different figures of course, to wheat, corn, hogs and a number of other major crops where we used surplus control in the past. When we get it back, as we are bound to, without any question we will be able to resume our efforts to get a decent price with reference to cotton and a reasonable assurance that price will be maintained year in and year out.

Q Does that indicate that your Soil Conservation Program is not working out?

THE PRESIDENT: On the contrary, the Soil Conservation end

of it is working out very well, but, as you know, the Soil Conservation does not go into control over surplus.

Q I thought it did.

THE PRESIDENT: To a very small degree.

Q Mr. President, there has been a very comprehensive sea safety measure which has been before the Congress since March. Have you given it any thought?

THE PRESIDENT: I don't know enough about the details. What is it?

Q Safety at sea. It has to do with the construction and the whole business -- fire protection and fire control. It is the bill which grew out of the study made by a technical committee.

THE PRESIDENT: Frankly, I don't know enough about it to speak intelligently. I think that on this new construction the Maritime Commission is working along plans that have been outlined for fire prevention on ships. I could not tell you anything more because I do not know.

Q Getting back to agriculture. In addition to this cotton pressure, there is also considerable agitation beginning to come up from the corn country with corn dropping to almost half. Does this indicate that you are going to

ask Congress to pass a control bill this Session?

THE PRESIDENT: I just told you that crop control is inevitable unless we are going to wreck the economics of the country because everytime that cotton goes down to under ten cents or wheat below eighty cents, the purchasing power of one half the country dries up and the wheels of the factories slow up. It is the same old story. There is nothing new in it. We started in the Spring of 1933 with a perfectly good economic program and it is going to go through. The country is going to demand it.

Q What we would like to know is whether you are going to ask Congress to pass that bill this Session?

THE PRESIDENT: I cannot tell you any spot. I am talking general principles. I cannot give you dates and messages.

Q Can you tell us if you approve Mr. Green's amendment for the Wages and Hour Bill today?

THE PRESIDENT: I have not read Mr. Green's amendment. I think he made it clear when he went out that he told me about three matters of principle. Now, three matters of principle, that is a very different thing. I don't know what the amendments are. I am in favor of retaining

collective bargaining. I am in favor of retaining the provisions of the Walsh-Healey Act and I am in favor of doing nothing to fix wages lower than the going rate in the vicinity. Now, those are matters of principle.

Q Mr. President, have you asked or do you contemplate asking the various government lending agencies to increase the liquidation of their assets in accordance with your reduced budget message of last April?

THE PRESIDENT: Nothing other than what we have been doing right along. It is coming along very well. You know, it does not rest entirely in their own hands. For instance, if we have loaned money to a bank and it is due on a certain date and the bank does not want to pay it back until that date, they have a perfect right not to pay it back until that date.

Q Mr. President is there any chance that you will be going to the Philippines this year?

THE PRESIDENT: No, no.

Q There was a bill introduced by Senator Pittman prohibiting the picketing of government buildings and the buildings of foreign embassies in the District. It was represented as being an administration bill. Can you tell us --

THE PRESIDENT: I have not read it. All I know is what I read in the papers.

Q Mr. President, have you signed the National Cancer Institute Bill yet?

THE PRESIDENT: Not yet. I am waiting for two of the gentlemen on the Hill to come down and watch me sign it.

Q Mr. President, have you signed the Interior Bill yet?

THE PRESIDENT: I am studying it.

Q I understand that Wayne Coy is here from Manila. He is secretary of the High Commissioner. Can you comment with relation to his report, if any?

THE PRESIDENT: He just came in to say, "how do you do." No report.

Q Do you care to comment on your letter in regard to dollar stabilization?

THE PRESIDENT: In regard to what?

Q Dollar stabilization.

MR. EARLY: That is your letter of May 20th which was released today. It is in the Record.

THE PRESIDENT: It is so long ago I would have to see it again. I don't remember what I said.

Q There was no date in the release.

MR. EARLY: May 20th, I think is the date.

Q The House has approved the Tydings-Miller rider.

THE PRESIDENT: Yes?

Q Any comment?

THE PRESIDENT: No.

Q Will you sign it?

THE PRESIDENT: It has not come to my desk.

Q You said that you are studying the Interior Department Bills. Does that mean there's a possibility that you may veto it?

THE PRESIDENT: I am only studying it.

Q You mentioned the Far East situation again as a factor in your week-end plan. Is there any background you can give us?

MR. TROHAN: Thank you, Mr. President.

THE PRESIDENT: I don't think so. There has been no particular change in the last four or five days. Still a pending question, very much so.

What did you say, Russell?

MR. YOUNG: That was Trohan trying to end the meeting.

(Laughter) Thank you, sir.

CONFIDENTIAL
Press Conference #387
Executive Offices of the White House

August 6, 1937, 10.40 A.M.

THE PRESIDENT: My, Russ, you are handsome this morning.

MR. YOUNG: The same to you, Sir. We did not get any chiggers, either. (Referring to inspection trip of hospital sites.)

THE PRESIDENT: No chiggers? You were lucky. Which site do you like best?

MR. YOUNG: Wait until you go down to Fort DuPont. That is best. When are you going over?

THE PRESIDENT: I will drive out next week if I find a spare hour and a half. I thought I could do the whole thing in one morning.

MR. YOUNG: Yes, it takes too much time. Of those two sites, Foxhall Road looked the best of the two, the one nearer the city.

THE PRESIDENT: Yes, it is nearer.

Q That is pretty small.

MR. YOUNG: Sixty-two acres is plenty of room, I think.

MR. DONALDSON: All in.

THE PRESIDENT: I don't think there is any news. I'm going to leave, unless something happens between now and 11.00 P.M., for Hyde Park and come back Sunday night.

Q Do you care to say anything, Sir, about the District tax bill with the Tydings-Miller rider attached to it?

THE PRESIDENT: It has not arrived.

Q You don't care to predict?

THE PRESIDENT: No.

Q Can you give us the subject of your talk the other day with two members of the National Bituminous Coal Commission and Mr. West?

THE PRESIDENT: The principal topic was the procedure to cover them in or bring them in under Civil Service regulations like we are doing with the HOLC.

Q Will that require some legislation?

THE PRESIDENT: No.

Q Did Mr. Hossford inform you, Sir, that he had tendered his resignation as a member of the Commission?

THE PRESIDENT: No.

Q Have you received assurances, Mr. President, satisfactory assurances that crop-control legislation will be passed sufficient to justify a resumption of commodity loans?

THE PRESIDENT: No.

Q Not yet?

THE PRESIDENT: No.

Q Can you tell us of the visit this morning of the Attorney General?

THE PRESIDENT: Oh, just talked over a number of things. Nothing specific.

Q Mr. President, are you in sympathy with this move in the Senate for a Special Session in October?

THE PRESIDENT: Isn't that up to the Senate?

Q You can be in sympathy with them. (Laughter)

Q Mr. President, the flood-control allotments for which the golden triangle at Pittsburgh and other flooded sections are anxiously awaiting are still among the missing. Can you tell us where they are?

THE PRESIDENT: Last night, I think it was about half past five, just before I left, we tried to find the papers. Strictly between ourselves, that is. They may have been found during the night but I haven't got them on my desk. They are around somewhere.

Q Are you sending to the Senate soon the nomination of the successor to Judge Molyneaux of St. Paul?

THE PRESIDENT: What is that, the district out there?

Q Yes.

THE PRESIDENT: Yes, I have quite a number left to fill. I hope to fill most of them but won't guarantee to fill them all.

Q Have you completed your study of the Interior Bill?

THE PRESIDENT: Not yet. It is still here.

Q There was a report from London this morning to the effect that a loan of 100 million dollars is being prepared to be loaned to China, and this report said that J. P. Morgan & Company had been given part of the loan or were trying to get themselves in on the loan.

THE PRESIDENT: You will have to ask the State Department.

Q To return to the District Offices Bill, will you follow the usual custom of sending it out to the different Departments to be read?

THE PRESIDENT: Oh, yes; it is somewhere now. I think Danny Bell has it.

Q A large number of Americans are reported to have enlisted for service in China. Is the Government going to permit them to fight in that war? There are over 1,000, I think.

THE PRESIDENT: You will have to ask the State Department.

Q Are there any reports on the Far Eastern situation?

THE PRESIDENT: I haven't read the reports this morning, but at 11.00 P.M. last night there was nothing that had not appeared in the papers.

Q Are you considering calling the Senate into session the day after adjournment to consider the Supreme Court appointment?

THE PRESIDENT: No, no; that is easy.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #388
Hyde Park, New York

Sunday, August 8, 1937, 12.30 P.M.

THE PRESIDENT: Good morning. How is the behavior at the Nelson House?

Q We were a little bit late for church, but got there just in time.

THE PRESIDENT: For the last psalm? What more do you want? Did Ernest (Lindley) sing well? He has a lovely voice, you know.

MR. McINTYRE: Starling said that we missed one number.

THE PRESIDENT: One number? (Laughter)

MR. McINTYRE: I meant No. 276 in the Hymn Book.

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THE PRESIDENT: I don't think I have even got a lead for you. There isn't a thing. I don't know of anything. I simply haven't got a lead.

Q Are you going to inspect this Post Office site again?

THE PRESIDENT: I think I will go down there this afternoon if the rain lets up. I want to see it.

MR. McINTYRE: The architect of the Treasury (Mr. Simon) is up here. I told him that it would be about 3 o'clock or a little after.

THE PRESIDENT: I think so, if it does not rain.

Q Are you planning to have anyone else?

THE PRESIDENT: No.

Q Are you planning to go back tonight?

THE PRESIDENT: I am expecting to call up in five minutes.

I talked last night and things seemed fairly quiet.

I cannot tell you anything about the Japanese-Chinese situation but, off the record, it looks like negotiations are continuing.

MR. McINTYRE: It looks comparatively quiet according to the press dispatches.

THE PRESIDENT: Yes, all I have is what has been printed this morning. It is fairly quiet.

MR. McINTYRE: I think, to be perfectly honest, we all hoped you would be a little indiscreet on the great issue this morning.

THE PRESIDENT: (Laughing) I slept awfully late. I have only had a chance to glance at the headlines, that is all.

I have not even read Arthur Krock this morning.

Q Neither have I.

THE PRESIDENT: I haven't read Mark Sullivan this morning.

I haven't even read the candidate for 1940, Dorothy Thompson, this morning.

Q Do you think you will be able to drop in at the dinner at the Raleigh Tuesday night?

THE PRESIDENT: I don't know; I have not heard yet.

Q Any chance that you will stay here until Tuesday night?

THE PRESIDENT: No, it is a question of tonight or tomorrow night.

MR. McINTYRE: Do you think you can let me know within an hour or two? It is a question of train movements.

THE PRESIDENT: I will let you know by one o'clock. But I could not write a story myself. Generally I could write a beautiful story.

(Some discussion about the possibility of a swimming party)

MRS. ROOSEVELT: I don't think I will be able to go and look at the Post Office but I will meet you at the swimming pool.

THE PRESIDENT: I will probably be there and if the sun comes out I will go in myself.

MRS. ROOSEVELT: It will be very nice to have all of you who want to swim.

(A little discussion, social)

THE PRESIDENT: Wasn't there somebody else I was going to see?

MR. McINTYRE: It is this fellow, Bober (Sam Bober of North Dakota). I think it would be a quite nice thing if you would see him for a minute and then have somebody else show him the farm.

THE PRESIDENT: Yes, I will.

RCB 8-4-55

MRS. ROOSEVELT: Poor Ackert is very anxious to know about the Home Club meeting. Every time we go down to Hyde Park, he asks me about it.

THE PRESIDENT: I don't know how we can possibly give them a date.

MR. McINTYRE: You can, right after Congress adjourns.

THE PRESIDENT: Tell him we will give him a date as soon as Congress actually adjourns but cannot do it until then.

Q Are you planning to come up here in September?

THE PRESIDENT: I don't know. There are fifty things I can do and I haven't got the faintest idea, and I am trying not to think about it until the time actually comes.

Q They are talking about the 21st for adjournment.

THE PRESIDENT: Yes, and they talked about the 14th and also about September.

(Mrs. Roosevelt spoke about a boy who wanted to get into the newspaper business or become a sailor)

THE PRESIDENT: There are no regular hours in either occupation. The only difference is that in the Navy they have 4-hour watches and you have 24-hour watches.

Q We have 24-hour watches and one hour of work.

Q In the Navy you get low pay, but you get supported.

THE PRESIDENT: You are sure of eating.

MR. McINTYRE: We all know that General McCoy and his wife are coming up for dinner. Are there any other guests?

THE PRESIDENT: Just neighbors.

(Social conversation)

MR. McINTYRE: John O'Donnell wanted to know whether the neighbors included any mayoralty candidates.

THE PRESIDENT: No.

CONFIDENTIAL
Press Conference #389
Hyde Park, New York
August 9, 1937, 2.45 PM

(Mrs. Roosevelt was present for the first part of this conference.)

Q (Mr. Trohan) Thou canst not shake thy gory locks at me and say that I did it.

THE PRESIDENT: I haven't read your story yet.

MRS. ROOSEVELT: I think it is a question of good imagination.

THE PRESIDENT: The trouble is that a good imagination is all right as long as it does not affect me, but when it affects me, a good imagination is a serious thing. Washington today is buzzing because the UP story on the wire -- I hope it did not come out of here but of course it must have come out of here. Steve (Early) ticks up, "United Press says, 'President Roosevelt has put the New Deal behind the candidacy of Jeremiah T. Mahoney, New York City's Democratic nominee for Mayor, today. The action came in a semi-secret political conference between the President and Edward J. Flynn, Party leader of the Bronx.' Newspapers make much of the fact that Flynn's visit was unannounced and that he was discovered to be a Presidential guest, et cetera." The UP statement may be okay, but I

think you should know it. It goes strong -- much beyond the Lindley and other stories published today."

I believe Senator Copeland has come out with some kind of a reply.

Now we will come down to what I read this morning, which was Ernest Lindley's story. I will read it out loud. It is a serious thing. I think there has got to be a showdown, a statement from you fellows who did it, or a statement from me. I read the Post story; that is all right.

I am going to read Lindley and comment on it as I go along:

"Hyde Park, N. Y., Aug. 8 -- Edward J. Flynn, Democratic leader of the Bronx and of the Roosevelt wing of the Democratic organization in New York City, conferred with President Roosevelt here today."

Lie number one, he did not "confer".

" Neither the President nor Mr. Flynn would say anything about their talk."

That is a statement and it is a lie. You never asked me.

"In fact, some effort was made to keep Mr. Flynn's presence here a secret."

The effort was made by bringing him down in my car to a place you were all going to be. That was the effort. That was a lie just as was the UP story. The same holds true, it just is not true, Ernest.

Q (Mr. Lindley) Mr. President --

THE PRESIDENT: So far we have had three of them.

Q (Mr. Lindley) Would you like to give me a chance to reply?

THE PRESIDENT: Let me read some more. Let us see if there is anything else in it.

"But as to Mr. Flynn's purpose, there was no occasion for doubt. As in the 1933 Mayoralty campaign, he is again seeking intercession of the national administration in behalf of the Roosevelt section of the Democratic set-up in New York City in a campaign against Mayor F. H. LaGuardia."

If that is based on anything that happened yesterday, it is a lie and, obviously, it does refer to what happened yesterday. There is not one word of truth in it. He (Mr. Flynn) sought no intercession.

Then it goes on about what happened in the past (The President looked over the rest of the article), and of course the headlines follow the lead of the story. Don't blame the headline fellow, they are

merely just as bad as the story. All the rest is about what happened before and about Mr. Flynn and Mr. Farley and Senator Wagner. That is all. But there are the first three sentences.

Q (Mr. Lindley) Well, Mr. President, the word "confer" is certainly open --

THE PRESIDENT: Don't quibble; "the word 'confer' is certainly open". When I told you that people were coming on a social visit I told you the truth and I told you the whole truth. I said that people were coming on a social visit. Ed Flynn's family and his wife and boys are all out West. Ed, who was all alone, came out for a social visit and that is all there was to it. I will tell you off the record, and this has got to be off the record during the entire conference, he was talking about his family and various things. The only thing I said was, "Ed, when in God's name did they decide to make the switch from" -- what is his name?

Q Whalen?

THE PRESIDENT: "Whalen to Mahoney?" "Oh," he said, "that is a long story. They got a headache and Grover got cold feet because the Fair people told him" -- this is off the record so don't use it -- "the Fair people told him

that if he ran in the primaries he would have to resign as head of the Fair and he wanted to stay on the Fair."

That was the beginning and end of any discussion about the Mayoralty campaign. I said, "Ed, will you tell me why Grover got out?" And he said, "He got cold feet; he wanted to keep his Fair job and he found he couldn't." Now, that was not a conference. We did not confer. That was number one.

Now, number two, you go ahead.

Q (Mr. Lindley) Well, what is the next statement there?

THE PRESIDENT: "Confer" is number one. Number two, "Neither the President nor Mr. Flynn would say anything about their talk." Did you ask me? Did anybody ask me?

Q (Mr. Lindley) No, sir; I think you would probably have some ground for criticism there.

THE PRESIDENT: You stated the thing as a fact.

Q (Mr. Lindley) We made an effort to get in touch with Mr. Flynn for some time last night and I conferred with my office before I wrote that story.

THE PRESIDENT: I don't see how you got, "Neither the President," that the President would not say anything about that talk. That is just a plain lie. Now admit it -- do the big thing and admit --

Q (Mr. Lindley) Very well, sir, I will admit it, but I should like to point out --

THE PRESIDENT: "In fact, some effort was made to keep Mr. Flynn's presence here a secret." I took him down and showed him to you.

Q (Mr. Lindley) Mr. President, when we were up before lunch --

THE PRESIDENT: I said, "Several people are coming," and some neighbors did come and Ed Flynn was one of the neighbors.

Q (Mr. Lindley) You must know, sir, that Ed Flynn, from our point of view, is not just whatever he is to you. He is also a political figure.

THE PRESIDENT: But I told you it was not on politics; it was social.

Q (Mr. Lindley) If you had said Mr. Flynn was coming and that it was social --

THE PRESIDENT: Don't quibble again. I told you that a great many people, people who have various kinds of significance, are coming here for a social visit. There were literally dozens of people who were here and who have newspaper significance. But they came here socially and I did not tell you who they were because they were only here socially. Ed Flynn came here on a social visit and only a social visit.

Q You did not tell us he was coming here at all.

THE PRESIDENT: You don't know who the other people were. You don't know now who the other people were, the people who came here last night. But they have no news importance because they came here socially. Now you come back to the same old story. I won't tell you about anybody who is coming here and you can go out and watch the gate if you want to go back to that kind of thing. I have not misled you. You get the news, but I still insist if I want to see God Almighty socially, it is social news and not political news.

MR. McINTYRE: This is all off the record.

THE PRESIDENT: This is all just between us. There isn't any story. But I am going to find out what you are going to do about it.

Q (Mr. O'Donnell) Speaking for the (New York) News, I should have a considerable share of the blame that is thrown on Ernest. I was the one who spoke to Flynn in the car and I talked to him about Jeremiah Mahoney. I was surprised to see him there and I walked over --

THE PRESIDENT: If there was anything secret about it I would not have taken him down and shown him to you.

Q Our source of information is to ask Mr. McIntyre and we do

ask him specifically if anybody is coming down of news importance. He knew only of John Mack.

THE PRESIDENT: I saw several other people of news importance but they all came socially.

MR. McINTYRE: What was it you asked him, John?

Q (Mr. O'Donnell) I said, "How is the Prophet Jeremiah going to make it in Manhattan?" And he said, "Don't you worry; everything is all right for Mahoney."

THE PRESIDENT: Well, how about the UP?

Q(Mr. Harkness) Just for myself, I wrote that story as Steve (Early) relayed it back. I wrote it as I saw it. If I was wrong, I was wrong.

THE PRESIDENT: We have to do something about it. What are we going to do? What do you suggest? Here the UP and the Herald-Tribune are guilty of starting something which happens to be completely untruthful, with all sorts of things popping as a result of it. I don't think it is up to me to write a story, "The President denies." It is the same old game, "The President denies," "The President is accused of beating his wife and the President denies that he is beating his wife." Now, how are you going to handle it? You cannot put the denial up to the President.

Q May I make a suggestion?

THE PRESIDENT: Remember, Ernest (Lindley), this has happened before. "It is reported" or "it is assumed". I know your difficulties. You have to turn in so much stuff a day. When you have no news you are still supposed to turn in so much news. I appreciate your difficulties but what the hell can you do when there isn't any news? You know, I can lock the gates. What are we going to do about it in the future? We are going to be here quite a lot from now on.

Q (Mr. Lindley) I am under no compulsion to write news for my paper. As a matter of fact, I tried to pass the whole Flynn piece back to our office in New York. I called up and said that he was up here but I did not talk to him, that I did not see him because he was at the Post Office. I have kept in some touch with New York politics and I have not seen Ed Flynn personally for several months. I have talked to any number of people who have seen him and others and I think I know a little about what he would get from the National Administration through Jim Farley, which is what most of that story is about, and the fact remains that Mr. Flynn is a factor in New York City politics and his visit to you is a matter of extreme news interest.

THE PRESIDENT: Not a social visit, when you were told before that it was a social visit. There is no news interest in it then unless you fabricate news, which is in direct contravention of what I told you.

Q As I recall what was said yesterday, you said that there were neighbors coming.

THE PRESIDENT: Two people here yesterday came from across the Connecticut line. They had to drive further than he did. Somebody else came all the way from Ulster County.

Q I am not criticizing that terminology at all but, nevertheless, I think this whole thing, with all due respect, would have been averted had you told us that Mr. Flynn was coming, because we have a keen interest in his presence here --

THE PRESIDENT: I will tell you why, because I saw a great many people socially about whom you would write a story.

MR. McINTYRE: In that particular instance, if I had told you, you would have written your story just the same.

Q Except for the secret part.

Q May I suggest that Mr. Flynn set the scene by saying that it is Mahoney all the way?

THE PRESIDENT: That is no tie-in.

Q Some of us thought so.

THE PRESIDENT: I don't know what he said out of the car. I haven't the faintest idea. There is no tie-in there.

Q It was the mere physical closeness.

THE PRESIDENT: As a matter of fact, he shifted to his car afterwards and if he wanted to say anything, it was perfectly all right. In view of what I said in the morning --

Q (Mr. Lindley) May I point out that there was nothing in that story that puts you in the position of taking any action at all or any position in the New York City campaign?

THE PRESIDENT: Don't quibble, Ernest. Be generous and say, like the UP, that it was a mistake, the whole thing.

Q (Mr. Harkness) I beg your pardon, I said that I wrote it as I saw it and if I am wrong, I am wrong.

THE PRESIDENT: That was all right. He wrote it as he saw it and he is sorry. "Conferred with the President," that ties it in with me. He conferred with me on something. "The President would not say anything about his talk." That is obviously a tie-in with me. Again, as to his visit here, "An effort was made to keep it secret." That is another tie-in. There must be a reason for keeping it a secret. "There was no occasion for doubting the purpose of the visit" -- that is another tie-in.

Q (Mr. Lindley) I certainly don't like to be taken over the

coals by the President, but I really --

THE PRESIDENT: Well, if you have a perfectly clear conscience about it, all right. I will then know how to act in the future. What are we going to do about the stories? I still haven't the answer from you. Merely saying that the President denied it does not go. That is the old adage, unfortunately used too much. I would like to see somebody say, "This assumption was not true. This assumption was not based on any fact and it became perfectly clear today that the visit was a purely social visit, as the President said it would be."

MR. McINTYRE: That would be like committing hara-kiri.

THE PRESIDENT: Yes. In other words, I would like to see some newspaper editor or some news association admit they are wrong, absolutely. I have never seen it happen except on some very, very few occasions in the past. If it is necessary, I will come out with a statement, but I will have to tell the story.

Q I don't think, sir, that I could agree to make such a statement without contacting my New York office because I am paid to tell the story as I see it.

THE PRESIDENT: I understand. You fellows are placed in such position very often. Every newspaper man is. We can talk

about it in the family and off the record. I can appreciate what you are told to write.

Q (Mr. Harkness) I was not told to write that. I would like to keep the UP clean on that point.

THE PRESIDENT: There are lots of occasions -- we were not born yesterday.

Q (Mr. Trohan) Some of us wish we were.

THE PRESIDENT: What?

Q (Mr. Trohan) A few of us wish we were born yesterday.

(Laughter)

THE PRESIDENT: Well, what are we going to do about the situation? It is broadcast all over Washington at the present time. Copeland is making answers and the Lord knows, I suppose they will begin answering from New York and so forth and so on.

Q (Mr. Pearl) There is one difficulty in the situation as I see it.

THE PRESIDENT: I did not read your column.

Q (Mr. Pearl) Mine was worse than Mr. Lindley's.

MR. McINTYRE: He went down, too.

Q (Mr. Pearl) This may not have been true yesterday. As you say, it was not true. But, as you know, we are watching things develop around and as they develop I would get to

believe certain things in connection with political situations and, of course, what may not have been true yesterday may have been true the day before or may be true tomorrow. If we say nothing of that sort was done, when we know that certain gentlemen may be running for a political office, or we know or think that certain gentlemen are running who may not be looked on with favor by certain members of the Administration who may reflect your attitude, naturally we will go strong --

THE PRESIDENT: And therefore that makes it legitimate --

Q (Mr. Pearl) I don't say it is legitimate, but if we say, of our own volition, that it was completely not true, our office says, "Everybody knows he is not in favor."

THE PRESIDENT: But then you have to be very dumb or very crooked, one or the other.

Q (Mr. Lindley) Since we are talking in the room, may I say one thing more? I tried to point out that social visits often do have political significance. I recall discussing the New York situation and how Ed Flynn felt and what was going to be done in this campaign in view of the fact that in 1933 Jim Farley had come out, and that sort of thing, and the answer I received was that you had had quite a time keeping Ed Flynn in a happy frame of mind

in 1933 and would have this time --

THE PRESIDENT: I don't know who you might have had an answer from but, anyway, I would say that you are barking up a decidedly wrong tree.

Q (Mr. Lindley) It is a tree I found quite solid.

Q (Mr. O'Donnell) Speaking of what is the next step to be done, what would be the reaction to the average New York City reader who picks up the newspaper and reads this morning that Flynn saw the President at least at lunch and spent a few hours with him and then he reads, tomorrow morning, that it was strictly a social visit and that the question of politics never came up?

THE PRESIDENT: Well, it didn't.

Q (Mr. O'Donnell) Admitting it is true and that it did not come up, what is going to be the reaction? Isn't he going to say, "What is this that I am asked to read in view of the fact that Flynn, after all the excitement in Tammany, still goes up there?" What would be the reaction in the mind of the reader?

THE PRESIDENT: What would the reader say if he picked up the newspaper tomorrow morning and reads something like this, that the President unfortunately found it necessary to take some of the writers over the jumps yesterday in

regard to the wholly unfounded stories that went out without any basis of fact from Poughkeepsie, the story, for example, in the New York Herald-Tribune, the stories, for example, in the International and the UP, that they were made out of the whole cloth?

Q (Mr. Durno) International, did you say?

THE PRESIDENT: You are all right; I meant Universal. George, I apologize, you are all right.

Q (Mr. Trohan) We are not saying anything.

THE PRESIDENT: Yes, your hands are clean.

MR. McINTYRE: Merely as a suggestion, how would a statement from Ed Flynn tonight serve the purpose?

THE PRESIDENT: There you get denial. You come back to the same old story, denial.

Q As I understand it, this is all off the record.

THE PRESIDENT: This is just a family gathering to discuss ways and means not only with respect to what happened yesterday but with respect to what is going to happen in the future.

Q (Mr. Trohan) I have an interest in the future because I would much rather spend my time in the tap room than at the gate.

THE PRESIDENT: I might have a refrigerator put in the box

out there by the gate.

But there you are; what are we going to do about it? It is not very encouraging; of course we haven't any ideas How about it, George (Durno)? You are old and wise in your generation.

Q (Mr. Durno) I don't want to be in the position of making any suggestions when you are discussing somebody else's story.

Q (Mr. Trohan) We have to worry about the future, George.

Q (Mr. Durno) It seems obvious you are disturbed and annoyed --

THE PRESIDENT: It is not just a case of being disturbed and annoyed, but you started something on a story that is not true. In other words, there are columns in all the newspapers based on an original, not misleading story, but an utterly false story. That is not good newspaper work. That is not news. If you write a story that I do something and it is made out of the whole cloth, absolutely out of the whole cloth, as this is, and you get a discussion of that story for a week, that is not news. None of it is news. Not only the original, but everything else that follows. It is not news and you are supposed to be writing for the newspapers, with emphasis on the "news" and not the "paper".

Q (Mr. O'Donnell) The original cause of all this was the act

of Mr. Flynn coming up to see you and being with you at this particular time when New York City politics were in the particular situation they are in now. It is the bringing together of time, the individual, and the circumstances.

THE PRESIDENT: I told you beforehand that everybody that was coming was coming purely on a social visit. They all arrived at lunch time. I did not see any of them until we came together in the dining room. After lunch we all went down into the big room. There were about nine or eleven and we sat and talked there until a quarter past two, and then I said, "I am late, I have got to get down to Poughkeepsie." Then I came up and as I came up I said, "Eddie, by the way, if you are driving down why don't you drive down with me?" You know how long it takes to go from here to Poughkeepsie. We talked about his family and then that Whalen thing.

Q But his presence here could be construed as a political as well as a social act.

THE PRESIDENT: I told you he was here socially.

Q I have no recollection, sir, of your saying -- you just said that the neighbors were coming in, but not having mentioned Mr. Flynn's name -- you did not make any reference --

THE PRESIDENT: I also told you that there was not any news then and that there would not be any news. Now I would not have given you a bum steer. I have never given you any bum steers of that kind. I would not have deliberately gone out of my way to say that they were just neighbors coming in socially.

Q (Mr. Lindley) To speak very frankly, sir, you have the political right and everything else, as Chief Executive, to see anybody privately if you wish to do so.

THE PRESIDENT: Yes, but I have the political right as Chief Executive to ask that the news stories be at least 90% correct. I have a right to protest when they are 100% wrong. So there we are.

Q (Mr. Trohan) Keeping it on a legal basis, I have to put an exception in that for Colonel McCormick.

MR. McINTYRE: Exception noted.

THE PRESIDENT: You are a joy. You never got into that, but I have seen some of your stuff.

Q (Mr. Trohan) I am glad somebody noticed them.

THE PRESIDENT: Well, I know an awful lot more things about your lives than you think I do. Why wouldn't I? And it does not take away, in any way, from my affection for the group of you. I know what you are up against. It

fs darned tough in many, many ways.

Q (Mr. Harkness) If my story was wrong, it was not wrong because I was up against anything tough. I could have written very easily and probably satisfactorily to the United Press for the morning papers that the President prolonged his stay for the day. That Flynn was down. I did it because I had two New York morning papers, one covered by Lindley and the other by John (O'Donnell). The Flynn story was relatively unimportant out in the country. But, on the other hand, where I do have New York newspapers, the Sun and the Telegram, which have no special correspondents, I thought that was my story to write.

THE PRESIDENT: That was "President Roosevelt has put the New Deal behind the candidacy of Jeremiah T. Mahoney, New York City's Democratic nominee for Mayor, today."

Of course you know another thing, and that is that I have been pretty scrupulous to keep out personally and in every way from this New York City thing. I said "very scrupulous", Ernest (Lindley) to the contrary notwithstanding, because he is of the frame of mind of wanting to do what is called a polite word, "assuming". He "assumes" that because in the 1933 campaign I did not take part in any shape, manner or form, and he "assumes" that

because Ed Flynn is a friend of mine and did this and because Jim Farley, Chairman of the Democratic National Committee did that, that I was behind it, which actually did not happen to be so. It is an assumption that is not based on the facts of the case and in writing stories, of course, it comes very nearly down to the practice of columnists and interpretive writers who assume a great many things that are not based on fact. All you have to do is to read columnists' stories out of Washington. Two-thirds is assumption and when you start to write news stories interpretively, the way Ernest has to and the way John sometimes does, it is a pretty tough proposition not to do it on assumption. That is why the newspapers today -- I know the country and some of you do too -- that is why the newspapers are losing the influence they had ten years ago and they are doing it largely because of interpretive stories that do not hold water. Some day somebody is going to run a straight newspaper and people are going to eat it up because it is straight news without interpretation. That is not your fault. It is the fault of the owners and managers of the papers. It is not your fault at all. It is just a phase that journalism is going through and unfortunately during that phase

it is beginning to lose its effectiveness.

Take the Hearst papers; their advocacy or opposition to any policy today is not worth the paper it is written on because the Hearst papers, through many, many years, have blown hot and cold, and old man Hearst today -- he is in his dotage -- knows he has guessed wrong, not only this time but a good many times. He is losing his influence and his papers because of the policy of his papers. The circulation went down and down and down. Phil (Pearl) knows that. It does not pay in the long run.

Q (Mr. Lindley) That is the question I raised in the story, whether Mr. Farley could participate in the Mayoralty campaign without having it interpreted as an endorsement of the National Administration.

THE PRESIDENT: Do you have to be interpretive?

Q (Mr. Lindley) In 1933 you did not make any statement --

THE PRESIDENT: I made half a dozen in that campaign.

Q (Mr. Lindley) To say that you were keeping out of it, but Jim Farley made a strong endorsement.

THE PRESIDENT: Jim Farley at no time and in no way said that I was in it in any shape, manner or form.

Q (Mr. Lindley) It was interpreted --

THE PRESIDENT: I made the simple, flat statement that I was

not in it in any way, which happened to be true.

Q (Mr. Lindley) But Jim Farley knew the effect of that endorsement and that it would be so interpreted.

THE PRESIDENT: And I suppose some of the ward leaders did too. Lots of people did all kinds of things. Some ward leaders interpreted it one way because they thought it would help them, and other ward leaders interpreted it another way because they thought it would help them. But you can't pin that on the White House. The trouble with assumptions of that kind is that they are so often wrong that the public catches on to the fact that the assumption is wrong.

Q (Mr. Lindley) When I say, "assume", I have a fact to base it on.

THE PRESIDENT: And you have been wrong an awful lot of times in your assumptions, Ernest.

Q (Mr. Lindley) I may have been, but they are not based upon sheer imagination in most instances, I can assure you.

THE PRESIDENT: No, somebody told you something, buzz, buzz, buzz. What is the name of the fellow that writes Mallon's column? Is it Ira Bennett? What is his name?

Q Ira Bennett is with McClure. It must be Baukhage.

THE PRESIDENT: Well, Baukhage was better than his predecessor but that is not saying a hell of a lot. Things that

purport to be news stories ought to be, in my judgment, about 90% right. That is as far as you can go on the percentage of error. On Baukhage's and Bennett's columns, a careful check shows that they are somewhere around 40% right on the average. Of course, that is terrible. It is just destroying the press, absolutely destroying the press.

I think that probably the best thing to do, if you cannot think of anything else, is for me to give out a statement, semi-humorous, about two or three of you.

Q (Mr. Harkness) I'm afraid I won't appreciate it. I'm afraid it won't make me laugh. (Laughter)

THE PRESIDENT: And phrase it along the line that two or three of the boys at the Nelson House yesterday afternoon went haywire. That is the only way I can think of doing it.

Q (Mr. O'Donnell) The thing to be driven home in the mind of the reader is that neither before this date or at the present or in the future, during the campaign, will the White House or the President take any part in the New York City Mayoralty situation. That is number one.

THE PRESIDENT: Yes, put it that way; that is all right. Let me give you some example about the future, between now and November. You know, I live up here and I never voted

in New York City in my life. I am keeping hands off this campaign, completely and absolutely. Now, here is an example of things that may happen. Suppose, for the sake of argument, that LaGuardia comes down to see me. Now, there is every reason in the world why LaGuardia should come to see me between now and November. There are three reasons: The first is his allocations for WPA money. It is obvious that he will come down for that. Number two, this Housing Bill, if it goes through. He and Post will probably come down and see me together on it, if the thing goes through.

Now, somebody probably will write a story that he is coming down on the Mayoralty campaign. It won't be true.

Another thing which may bring him down is the fact that he is head of the Conference of Mayors and, as occupant of that position, would want to talk about housing and WPA funds. There is no political story in any of that, but it is awfully hard for you fellows not to write it that way.

Now, Jeremiah Mahoney is a very old friend and I have known him for years. It is perfectly possible because Jerry Mahoney on the AAA -- not the German thing because he was on it long before the Nazi thing came up -- he may

come down to see me on the games, et cetera, because I am awfully interested. But there wouldn't be anything political in that.

Suppose Grover Whalen were to run. Grover Whalen is head of the New York Fair. I have to see him.

Ed Flynn is United States Commissioner of the Fair. He will be down to see me again on that. He will be setting up the Government exhibits. He has three million dollars to spend.

Q (Mr. O'Donnell) Why wouldn't it be a proper part of the statement to say that LaGuardia will be down to see you, that Jeremiah Mahoney might be down, and that it is quite possible that Senator Copeland will be in to see you on the Food and Drug Bill, and that there would be no political significance in any of these visits? That would be a statement.

THE PRESIDENT: But I cannot phrase it in the form of a denial.

Q I am afraid it must, in some form or other, sift into a denial.

THE PRESIDENT: No, attack -- sift into an attack. It has got to be in the form of an attack. In other words, instead of being put on the defensive by you, I have to lay the blame on you. It is very unfortunate but necessary.

Let me try my hand at it and see if I can work out something that is semi-humorous.

Q Without names, sir?

THE PRESIDENT: And I will try not to make it offensive to Walter and George. Thank you for those kind words.

(Laughter)

Q (Mr. Trohan) If you put me --

THE PRESIDENT: I might start it this way: "Walter Trohan said this morning" --

Q (Mr. Trohan) You had better put "Mr." in front of it.

THE PRESIDENT: "As Mr. Trohan told me this morning, they had a good time in the Nelson House tap room and here is what happened."

Q (Mr. Trohan) Red light for the expense account. I would have to put in there two hours for the time you spent castigating the press so as to make up for the waiting time of the cars. That would be at three dollars an hours, which is dollars.

Q (Mr. Lindley) For myself, Mr. President, I would say that I would be delighted to be one of the targets for your well established humorous gems but I think, from the viewpoint of seriously getting results out of this for the purpose you want to accomplish, it would be well to do what John

suggested -- give some particulars of the fact that you are keeping your hands off, that LaGuardia will probably have reason to come to you between now and November, that Jeremiah Mahoney may have reason to see you in line with his AAA activities, that Copeland may have reason to come in to see you, but that, so far as the New York City Mayoralty campaign is concerned, you are going to keep completely clear of it.

THE PRESIDENT: That does not take care of the error. Let Mac put his mighty mind to work on it and we will see if we cannot work out something.

Q You are not going to rely on Mac for humor?

THE PRESIDENT: Oh, he is the softest hearted fellow in the world. If it were Steve -- Steve is standing on his ear. You are lucky you aren't there. You are awfully lucky it is Mac who is up here.

MR. McINTYRE: I have been afraid to call him (Mr. Early) on the phone.

THE PRESIDENT: Steve can hardly talk straight this morning.

Q (Mr. Oliver) Meanwhile, the very fact that this conference was held is off the record?

THE PRESIDENT: Yes, sure, keep it off the record.

I am trying to think of some other news. If it stops

raining, I am going for a swim.

Q (Mr. Trohan) You can turn this press conference over to Sam Rosenman for publication. (Laughter)

THE PRESIDENT: Sam Rosenman hasn't been down this time.

You know, it is funny about this book that Sam and I are editing in five volumes. It has been going to the printer and the make-up of the book so far has consisted of not one word of writing. We have just been using a lot of glue and a pair of shears.

Q (Mr. Trohan) That is the way I write my stories.

THE PRESIDENT: And Sam is going to come down the next time I am here and we are going to do the forewords.

Q Have you practically got the whole job finished?

THE PRESIDENT: All except the fill-in. There will be little introductory notes or explanatory notes at the bottom. For example, there will be a message to the Congress with a note at the bottom saying that this relates to such and such a Bill. It is somewhat difficult to do because it takes a lot of checking up on the records.

Q I can think of only one thing and that is, "Thank you, Mr. President."

THE PRESIDENT: Mac, what time do we leave?

MR. McINTYRE: Twelve midnight Daylight.

Q (Mr. Harkness) While this press conference is off the record I would want to call my editor in New York, Earl Johnson, and tell him about it and that there will be a statement of some kind coming out later on.

MR. McINTYRE: That there may be.

Q (Mr. Harkness) There may be. I would want to do that and I think I should.

THE PRESIDENT: Yes, you can tell him you were not alone in making assumptions.

Q (Mr. Harkness) Yes; of course they read the morning papers.

Q (Mr. Durno) Are your reports from the Far East of any significance?

THE PRESIDENT: Nothing that has not been in the papers this morning. There was concern over the occupation of Peiping but, of course, the fact is that there were no Chinese troops in Peiping and it was an undefended city, therefore it does not seem to create much change in the situation. That is all they had. There were not troops there and therefore they have not interfered in any way with the legations. I think it is just as it was yesterday.

Q (Mr. Trohan) George (Durno) and I will have to be listening all afternoon to what they could have told you. (Laughter)

THE PRESIDENT: Yes. I think if anybody wants to swim this

afternoon, it will be fine if they will come over.

CONFIDENTIAL
Press Conference #390
Executive Offices of the White House

August 10, 1937, 4:05 P.M.

Q The Dean is missing today.

THE PRESIDENT: Where is Russ (Young)?.

Q On his vacation.

THE PRESIDENT: (To a lady correspondent) Have a chair.

Q Pro tem.

Q Trying to hide something, I guess, like the Ouiji Board.

Q I tried to swap the Ouiji Board for a dunce cap, but Fred would not swap.

Q (Miss Fleeson) Hello, Steve, I am glad I did not go to Hyde Park, aren't you? (Laughter) We got a break, pal. (Laughter)

THE PRESIDENT: It is all right; I am going to have one of those photographers again.

Q (Miss Fleeson) That is right; I am vulnerable. I take it all back. I forgot.

Q That is our Club picture.

THE PRESIDENT: I am going to have it at the next Gridiron dinner. (Laughter)

MR. DONALDSON: All in.

THE PRESIDENT: I am told there is no news.

Q Mr. President, does that Morgan's Saturday Evening Post story on the T.V.A. represent the Administration's power policy? Do the views expressed in that story represent --

THE PRESIDENT: I did not even know, I am sorry to say, that he had written a story in the Saturday Evening Post.

Q Will you say anything on the visit of the Civil Service Commission today?

THE PRESIDENT: We talked about various -- lots of things. It was general discussion about the civil service and its extension as fast as possible. What was the term? Inward, outward and downward.

Q Along the lines of the subject you discussed with the Coal Commission?

THE PRESIDENT: Same idea, yes.

Q Can you tell us anything about your conference with Senator Harrison on sugar?

THE PRESIDENT: Only in discussing the general problem and having Interior, Agriculture and State up there this afternoon, before the committee meeting, to discuss it further.

Q Can you tell us what you are going to take up with Senator Black at this conference this afternoon?

THE PRESIDENT: What was it he wanted?

MR. EARLY: Agriculture.

THE PRESIDENT: Agriculture.

Q Have the Southern Democrats offered to use their influence with the Rules Committee to get out wages and hours legislation if you will give them a **cotton loan?**

THE PRESIDENT: I have not heard of it.

Q It is a good idea.

THE PRESIDENT: I did read something about it in the paper this morning.

Q Have any terms been reached or are they in sight on sugar legislation?

THE PRESIDENT: No; still talking about it.

Q Can you tell us what you think that Senator Harrison's proposed compromise?

THE PRESIDENT: You see, he has not had it drafted. I told him that I would be very glad to study what he had on paper after they talked this over this afternoon.

Q Have you anything on cotton surplus control?

THE PRESIDENT: No.

Q Have any ideas been advanced at all?

THE PRESIDENT: Not yet, not since I got back; still talking about it.

Q Have you considered former Justice William Clark of New Jersey for the Supreme Court?

THE PRESIDENT; Your old Clubmate? (Laughter)

Q (Mr. Post) Clubmate?

THE PRESIDENT: Sure, Bill Clark was in the Fly Club. Didn't you know that?

Q (Mr. Post) I know he held Prohibition unconstitutional.

THE PRESIDENT: Sure, he was a member of our Club. (Laughter) It is all right.

Q Do you know what reaction the British and French would have to the proposed lease of destroyers to Brazil?

THE PRESIDENT: I don't know. Of course, one thing on the lease of destroyers to Brazil that should be emphasized: in the first place, the destroyers are absolutely out of date and, in the second place, they are intended purely for training purposes.

Q Mr. President, can you tell us what was discussed at your meeting with Mr. Ickes this afternoon?

THE PRESIDENT: Mr. Ickes and I and the Director of the Budget

held our second session in going over firetrap school houses. In going through the list in two sessions we have had up to now, we have gotten down through -- let me see, what is the next state?

MR. EARLY: Missouri.

THE PRESIDENT: Missouri.

Q What did you decide?

THE PRESIDENT: We have o.k.'d a great many. This is the first going over of the list, giving approval only to those schoolhouses which, in accordance with what Mr. Rayburn said on the floor, as you will remember, -- when the bill went through it was said that this first money would be used for grants to those school districts where the schools have burned down or where the schools represented a serious fire hazard and at the same time the local communities could not afford, without government aid, to replace them. Now, that is on a replacement basis. It does not seem that there will fall under that rule, let us say, the good solid brick school houses in the community which have inadequate fire escapes or wooden staircases, because those obviously are what might be called repair jobs, things that amount to only

a few hundred or a few thousand dollars at the most. The Government is not in the business of giving grants for repairs and betterments to structures which are fundamentally sound and could be made perfectly safe by the expenditure of a very small sum of money.

What we are doing, is o.k.ing the applications where the building is a firetrap, not only beyond peradventure of a doubt but could not be made safe and would have to be replaced.

We are going through this list, that is the first thing, and probably after two more sessions, we will have completed all of the examinations of that particular type of PWA project. Then the list will be given out.

Q Where did you get the lists? Were they sent in by the States?

THE PRESIDENT: They were sent in by the different districts. I should say, off hand, that so far we have approved about half the projects that we have been asked for.

Q Can you give us a rough idea of how much money will be involved in that?

THE PRESIDENT: I could not, no.

Q Is that the list of buildings that was furnished as a government document?

THE PRESIDENT: What is that?

Q That list was furnished as a Government document, was it not, some months ago?

THE PRESIDENT: I don't know.

Q By "half" you meant up to Missouri?

THE PRESIDENT: Yes.

Q There is a report to the effect that PWA has taken the stand that the California earthquake schools do not come under this emergency. Have those been thrown out, do you know?

THE PRESIDENT: No, I think I have approved one or two in California; that is, where the buildings cannot be strengthened or repaired so that another earthquake would undoubtedly topple it over.

Q There are some of those?

THE PRESIDENT: Yes, there are some of those. I think I approved a couple last week. They would come under the same category as a fire hazard that could not be cured.

Q Has there been a suggestion in the War Department that what troops we have in China should be withdrawn?

THE PRESIDENT: No.

Q Is it true that Mr. John Biggers of Toledo is to be named

to the Chairmanship of the Communications Commission?

THE PRESIDENT: No, I have not taken up the Communications Commission thing at all. Mac (Mr. McIntyre) gives me two or more suggestions every day that I am going to take up in the course of the next week.

Q Do you expect to fill those vacancies before Congress adjourns?

THE PRESIDENT: I think so.

Q When Luther Steward and Jacob Baker came through here, they said you were going to send to Luther Steward's Convention a letter setting forth your views as to the organization of Government employees.

THE PRESIDENT: I will try to have it for you this afternoon. Can they have it?

MR. EARLY: Mr. Steward will release that, when it is ready, to the Convention. They handle it.

THE PRESIDENT: That is right. When is the Convention?

MR. EARLY: It is the first week of September.

THE PRESIDENT: Do they want it held up until then?

MR. EARLY: Yes.

THE PRESIDENT: All right.

Q Is there anything else you wanted to say?

THE PRESIDENT: No. I said to both of the other gentlemen, Mr. Baker and Mr. ~~Ryan~~ Rhine, that this covers the situation for all three organizations.

[ECB 2-11-55]

Q You made some statement to us some time ago as to your views.

THE PRESIDENT: Well, it follows that line.

Q Nothing to add to it?

THE PRESIDENT: No.

Q Any word on the District Tax Bill yet, Mr. President?

THE PRESIDENT: It has not come to me yet.

Q It appears that the gold inflow from abroad is virtually at an end. Can you tell us whether any consideration is being given to a study of the gold sterilization program?

THE PRESIDENT: No, I have not heard anything about it.

Q Have any of the New England Governors been in touch with you about flood control up there since your talk with Governor Cross?

THE PRESIDENT: I have not had anything. There may be letters in this afternoon's mail that I have not seen yet.

Q How about Senator Copeland -- (Laughter)

THE PRESIDENT: Ask the boys who were at Hyde Park with me. They will tell you. (Laughter)

Q Will you tell us anything about your conference this morning with Secretary Wallace and Marvin Jones?

THE PRESIDENT: The same old thing; the whole crop problem.

Q Anything on loans?

THE PRESIDENT: No. The only thing I said on loans was that I used the illustration which I could use with any of you.

For instance, I could say -- suppose Earl (Godwin) came in and said to me, "I am making ten thousand dollars a year now but I want you to lend me a hundred thousand dollars."

Q (Mr. Godwin) Fine.

THE PRESIDENT: Yes, right. I would say, "That is fine, but I don't know whether on a ten thousand dollar salary, I don't know whether you are good for a hundred thousand dollar loan." And he would say to me, "I have got an awfully good prospect of getting a twenty-five thousand dollar job in next January." Well, I would say, "Have you a contract?"

He would then say, "No, I have a hope." And I would say, "As much as I love you, I cannot lend you a hundred thousand dollars on a hope."

Now, that is a pretty good illustration of my position at the present time on crop loans. I cannot make a very large crop loan not only on cotton but on corn, hogs and

maybe wheat, because of declining prices, on the hope that next January there is going to be some kind of better security behind the loan than there is today.

I have used that illustration a couple of times this morning. I think it is probably the easiest way to explain the difficulty of making crop loans without a positive assurance of the job next January.

Q Mr. President, to whom did you use the illustration?

THE PRESIDENT: Well, to Marvin Jones and I am going to use it to Hugo Black this afternoon and (Laughter)

Q What did Mr. Jones say?

THE PRESIDENT: He said, "Well, I don't blame you."

Q You said that you could not make any large crop loans. Could you make a small one?

THE PRESIDENT: The same thing applies. It would not be just a hundred thousand dollars; that would be a small one but it is just as dangerous.

Q Mr. President, do you have in mind, perhaps, a Democratic caucus by the membership of both Houses?

THE PRESIDENT: I don't know; I haven't heard anything.

Q What would you regard as a satisfactory assurance?

THE PRESIDENT: Well, suppose the other fellow starts that

instead of me. In other words, I am in the position of the lender. It is up to the borrower to give me the security.

Q In the Earl Godwin analogy, what is the solution? Is it crop control?

THE PRESIDENT: I think we have got to come to it, as I said before; only, so not use the words, "crop control". Use the words, "crop surplus control", because it is a bit more accurate.

Q Do you want a contract with the farmers?

THE PRESIDENT: Don't let us get into Supreme Court decisions. (Laughter) Now, there is an interesting point: In those decisions they said you could not make a contract with a farmer.

Q You could make a conditional grant.

THE PRESIDENT: But they said that you could make a conditional grant. There was some language to the effect that you might make it a conditional grant. It was a conditional condition. In other words, if they were free to accept something later on, on certain performances, they would get the money.

Q I thought they said that an outright grant was constitutional but that a conditional grant was unconstitutional.

THE PRESIDENT: Marvin Jones, who knows his Constitution, said that they made the distinction between the contract and the conditional grant. So you had better read the decision over again. It is beyond me. I cannot see much difference between a conditional grant and a contract, but, if the conditional grant is the constitutional way of doing it, it is fine.

Q You discussed the attitude of the Court then with Mr. Jones?

THE PRESIDENT: Oh, sure; I asked him about it.

Q May we infer the Godwin parable as meaning that there would be no loans until the Crop Surplus Bill has been passed?

THE PRESIDENT: Yes. In other words, using the same analogy, the next move is Earl's.

Q The next move is that of Congress?

Q Do you intend to hold out on hope for the farmer until I get a twenty-five thousand dollar a year salary? (Laughter)

Q Mr. President, I am afraid some of us failed to understand your answer. Your position is that there will be no loans of any size --

THE PRESIDENT: Until we get adequate security.

Q And the security must be something more than a promise that a law will be passed?

THE PRESIDENT: Yes.

Q In other words, the security will be the passage of a law?

(The President did not make any verbal answer, although he may have nodded his head.)

Q Has a gentlemen in Mr. Godwin's position made any proposals to you that they thought might be accepted as assurance?

THE PRESIDENT: Not yet.

Q Do I understand you to say that there would have to be a control law before there would be any loans made?

THE PRESIDENT: Either a control law or let me put it this way -- no, I don't think it is a good way of putting it -- a bank acceptance. If there was some definite assurance -- I don't know of any yet that they can give. That answers your question. If I could get some definite assurance that would be so clear that I could lend money on it, that would be all right, but I do not know of any proposal that could be made that could be considered an adequate endorsement on paper.

Q You mean no member of Congress --

THE PRESIDENT: How can a member of Congress, how can an individual or two or three individuals guarantee what the Congress will do in the future? I don't see how they can do it.

Q Are you going beyond that and say that they cannot guarantee what the Court will do after the law is passed? (Laughter)

Q The upshot is that nothing but an act of Congress would provide adequate security?

THE PRESIDENT: That is the point, Fred (Essary). If somebody could, by some method, furnish adequate assurance, that would be all right, but nobody has discovered it yet.

Q What about the caucus. Couldn't you work it through a caucus?

THE PRESIDENT: I don't think so.

Q If there is no legislation before January, there would be no loans before January.

THE PRESIDENT: That is right. Isn't that right, Mark? I haven't seen Mark (Sullivan) for a long time. I see him through the crowd -- I see the top of his head. He is an old farmer like myself. (Laughter)

Q Have any estimates been made by the Commodity Credit Corporation as to what that might entail -- how much money would you have to pay out if you did make these loans now?

THE PRESIDENT: No.

Q Have you received reports from any of the Government departments as to possible savings so as to enable you to formulate any conclusions?

THE PRESIDENT: I have not asked Danny Bell yet. Will you remind me? I will ask him that question as to what he has had in reply to his letters. I don't know.

Q Thank you Mr. President.

CONFIDENTIAL
Press Conference #391
Executive Offices of the White House
August 13, 1937, 10.30 AM

THE PRESIDENT: I don't think I have anything this morning.

Q Anything new in the crop loan movement?

THE PRESIDENT: I have not heard anything since yesterday.

Q When did you decide on Senator Black, Mr. President?

THE PRESIDENT: I don't think there is any news on that. I cannot tell you how I made the decision, but don't go out on a limb.

Q How did you manage to keep that so secret? In other words, seriously, the story about it is that you wrote the nomination with your own hand.

THE PRESIDENT: That is right.

Q Would you mind telling us something about that?

THE PRESIDENT: It is a very simple procedure -- not telling anybody.

Q Did you short-circuit your staff, the clerical staff?

THE PRESIDENT: Absolutely.

Q Did you short-circuit Senator Black too?

THE PRESIDENT: Oh, no. (Laughter)

Q Did Steve Early know about it before his press conference? (Laughter) That is the question I wanted to ask you yesterday.

THE PRESIDENT: That is why I am late for the conference this morning. Steve and I have been telephoning each other.

(Laughter)

Q Mr. President, there have been published reports that you are thinking of pressing for a Constitutional Amendment on the Supreme Court problem. Is there any truth to that?

THE PRESIDENT: No.

Q Have you made up your mind as to whether you will sign or veto the District Tax Bill?

THE PRESIDENT: I have got it in my basket and I can tell you, for your information, that there are several different kinds of recommendations on it. I think it went to about seven different agencies of the Government and they do not all agree.

Q Are they on any one particular phase?

THE PRESIDENT: I cannot tell you those details.

Q What did the House leaders tell you about the prospects of wages and hours legislation?

THE PRESIDENT: They didn't. I have not heard anything since yesterday morning.

Q Will they bring it up under suspension of rules, do you think?

THE PRESIDENT: I have no idea.

Q Do you have an appointment with a delegation from the Hill to discuss farm legislation today?

THE PRESIDENT: I believe so and frankly I don't know what they are going to talk about.

Q I understand Governor Hurley of Massachusetts has suggested that the New England Governors -- the Governors of the four States concerned -- have a flood control meeting with you.

THE PRESIDENT: I was told just before we started that the Federal Power Commission is going to talk things over with any of them that want to come down.

Q Individually or as a group?

THE PRESIDENT: I don't know.

Q Then they are not planning to come to see you?

THE PRESIDENT: Not that I know of. I think the first people they are to talk to is the Federal Power Commission.

Q Anything on appointments to the Radio Commission?

THE PRESIDENT: Not yet, but I hope soon.

Q Have you any plans for the week-end?

THE PRESIDENT: I think if everything is all quiet I will go down either tonight or tomorrow morning and come back Sunday afternoon. I will clean up the basket and keep in fairly close touch because of the Far Eastern situation.

Q That means that you leave from here?

THE PRESIDENT: From Annapolis this time, but I don't know.

Q Is there anything you can tell us about the amendment to the Sugar Bill?

THE PRESIDENT: I have not read the actual language of the amendments.

Q Can you tell us anything or can anything be said of your conference the other day/with Ambassador Dodd?

THE PRESIDENT: Just as usual, we talked over the affairs of the world as I do with almost all of the returning Ambassadors and Ministers.

Q Has the Attorney General given you any opinion as to the eligibility of a Senator to appointment to the Supreme Court in view of the Retirement Act on emoluments?

THE PRESIDENT: Only informally and verbally.

Q Can you tell us what that opinion was?

THE PRESIDENT: Perfectly legal in every way and Constitutional.

Q Some time ago you signed an Executive Order with respect to postmasters, their eligibility, and so forth. A number of those have been nominated. There is a report that there is going to be legislation or an Executive Order changing the present policy with respect to appointing postmasters.

THE PRESIDENT: I cannot say anything on that now because the House Bill is still pending in the Senate and I don't

know what action is going to be taken. I won't even give it any consideration until after action or failure of action.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #392
Executive Offices of the White House

August 17, 1937, 4.05 P.M.

THE PRESIDENT: I don't think there is any particular news. We finished today -- no, yesterday, the list of fire-hazard schools and that is being given out at the Interior Department today. Today we have been working on the health-hazard schools and we finished those today. Thursday we will take up the moral obligation bond issue list and that will be pretty nearly cleaned up by the end of the week.

Q Have you set an outside limit on that total?

THE PRESIDENT: We are not considering totals at all. We are just going into -- actually they will be away under the estimates.

Q Have you made any determination on the District Tax Bill?

THE PRESIDENT: Not yet.

Q Any comments on the developments of this Brazilian Naval Leasing Proposal?

THE PRESIDENT: I think the State Department has covered that pretty well.

Q Can you add anything to the State Department's earlier announcement?

THE PRESIDENT: I have not seen what they said, so I do not dare comment. However, I endorse what they said.

(Laughter)

Q Can you talk, for background, on the application of the Neutrality Act in this China-Japanese War which it not a war?

THE PRESIDENT: Yes, I will do it entirely extemporaneously and without attribution. This is not background because this is without attribution. Suppose I put it to you the way I explained it to the Cabinet the other day, on Friday. You know, I go back in my ancestral history to about 1831 when my grandfather went out as a super-cargo to China and he first went to, I think it was Macao. Of course there were very, very few Europeans in there at the time -- there were British and Americans and French and Portuguese and Italians and a few Germans, not many. Well, to put it in words of one syllable, they all congregated on the waterfront and put up their hongs, as they were called, their trading houses.

China, in those days, had a very loosely-knit empire, Peking being only in theory the governing point. They had a series of provincial governors, overlords, war lords, and practically their only connection with the central government, which was the emperor, was the payment of a certain amount of tribute or tax every year.

Then, within each province, the provincial lord had local mandarins, local officials, and again their

principal connection was the turning over of a certain amount of taxes to the provincial governor. The result was almost a complete system of local self-government without anything at the top, without any centralized control.

Well, as the Europeans came in, they were subjected to the possibility of attacks or riots depending on local political conditions, the local friendship or enmity of the local mandarin or the provincial governor, but nearly always a local proposition, so they had to stick together.

They found also that the Chinese courts in those days did not dispense justice according to the ideas of Western civilization, so they established courts of their own. So, after a while, and this goes back just about a hundred years, there grew up this system in various ports in China of the Europeans banding together for mutual self-protection on the shore-front. They had their own little local companies of militia, they had their guns, and then, from time to time, there would be an American warship and British and German warships in there and, if you go back in our Navy files, you will see that they worked with the other Western nations so that there was always a certain amount of European war protection for these shore points that these Europeans lived at.

Gradually, as treaties came into existence, these became known as treaty ports -- they were built sometimes by treaty and sometimes by general agreement among all the Western nations for the protection of Western nationals in these ports and for the setting up of extra-territorial jurisdiction. That was because China was such a loosely-knit aggregation of four hundred and twenty-five million people and it has only been, really, since the days of Sun Yat Sen that there has been any serious attempt at solidifying China into a National sovereignty.

The result is a situation which is an anomaly. We do not do the same thing in other parts of the world. It is something that has grown up over a hundred years, hence the fact of extra-territorial courts which we have been expressing our willingness in the last four or five years to get rid of as soon as it is possible to do so. We have talked with the Chinese Government about it and with other nations about it and the time will undoubtedly come when we will give up the extra-territorial courts on the reasonable assurance that the Chinese courts will give substantial justice in any case between Chinese and Americans or Americans and foreigners.

At the same time, there is an historic background for the fact that we have troops there. It is an

inherited situation. Some of you can remember the Boxer Rebellion which again showed the lack of national unity in 1900. At that time there was a rebellion against the Empress and, as I remember the facts, very cleverly the rebels were sold the idea that instead of attacking the Chinese Government they should attack the foreign devils, which they proceeded to do. The Legations were besieged and an expedition was sent in, an international expedition.

After the Legations were relieved and the rebellion put down, there was an agreement made by which China paid an indemnity to all of the nations -- the American indemnity being returned to China to be spent in the cause of education. Since 1900 we have maintained marines at Peking and a small force at Tientsin, kept there by agreement with both the Chinese Government and the other nations to safeguard the Legations and the Embassies up in Peking, which is about 75 or 80 miles inland.

The Shanghai situation goes back, I think, to 1927 when we went in with other nations. There was a big blowup in Shanghai in 1931 and we have stayed since then. It is our objective, of course, eventually to get our marines and soldiers completely out of China as fast as it is a practical thing to do.

Now -- again not for attribution -- in regard to the present situation on neutrality, the situation there is a very different thing from the situation from the beginning of the Ethiopian War. At the beginning of that War, the Italian Minister to Ethiopia was taken out of Ethiopia and the Ethiopian Minister in Rome was sent out of Italy. In other words, all relations between Ethiopia and Italy were stopped. Furthermore, the Italian Army went in and commenced a perfectly definite war in Ethiopia, with the full recognition on the part of both governments that a state of war existed.

At the present moment, as far as the latest dispatches would indicate, the Chinese Ambassador in Tokio is still in Tokio and accredited to Japan and, as far as I know, the Japanese diplomatic relations with China have not been severed, although there was a dispatch that the charge d'affaires of Japan had left Nanking. However, that does not necessarily mean that they have severed diplomatic relations. We do know that there are conversations proceeding in different parts of China between representatives of Japan and representatives of China and, therefore, it cannot be put in the same category of a state of war as the Ethiopian situation.

Of course things may change; it is on a 24-hour basis, and we cannot tell when they will change.

There isn't any more story in it and I think that covers it pretty well.

Q Is there any likelihood of your proclaiming that a state of war exists unless they recall the Ministers?

THE PRESIDENT: That I cannot say. As I say, I am on a 24-hour basis. That is too "iffy." There might be other circumstances.

Q Do you care to say anything, sir, about your talk with Judge Sykes of the Communications Commission?

THE PRESIDENT: Well, we were checking up on a lot of things, nothing in particular.

Q There are still some judiciary appointments to be made, such as in Chicago and elsewhere. Do you expect those to be made before --

THE PRESIDENT: Some, but not all.

Q How about Commissioner Landis' successor?

THE PRESIDENT: There isn't any vacancy.

Q Any more appointments to the Communications Commission?

THE PRESIDENT: I sent up one today. There will be one more after today's.

Q Mr. President, can you tell us something about Commander Craven, whom you appointed? Were you associated with him during War times?

THE PRESIDENT: Just as much as I was associated with 31,000 officers.

Q I think he was pretty close to you in communications in the Navy during the War?

THE PRESIDENT: One of many.

Q Do you expect the defeat of wages and hours legislation?

THE PRESIDENT: Isn't that still an "if" question?

Q I don't know; your leaders admit it.

THE PRESIDENT: You never can tell. You are a little premature.

Q There have been reports printed in the morning papers that you were planning or discussing calling a Special Session of Congress. Can you tell us anything about that?

THE PRESIDENT: That is "iffy." (Laughter)

Q When Mr. Farley was here last week, did he discuss with you anything more about leaving the Cabinet?

THE PRESIDENT: No, did not discuss it at all.

Q Will Commander Craven be Chairman of the Communications Commission?

THE PRESIDENT: I really haven't the faintest idea. Don't ask me because I don't know whether I appoint or they elect.

Q Can you comment on reports published today quoting Mr. Van Devanter as saying that he thinks the upshot of

the Court fight will be that the Court will stay at nine members?

THE PRESIDENT: Some people in the Senate would ask you, "How do you count nine members?" (Laughter) Read the debate.

Q I did.

THE PRESIDENT: Are you any wiser?

Q Some.

THE PRESIDENT: I am not. (Laughter)

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #393
Executive Offices of the White House
August 20, 1937, 10.30 AM

THE PRESIDENT: I don't think there is any news at all. We have had a flash but no official report from Shanghai that a shell fell on the cruiser AUGUSTA. You have probably had that too. We have not had anything further than the flash.

Q What does it mean if things like that continue to happen over there to our ships?

THE PRESIDENT: I think it is almost bound to happen in a situation just like that.

Q What can we do about it?

THE PRESIDENT: I think people on the spot can tell better than we can.

Q May I clear up a little of this uncertainty about the Naval Hospital? Have you finally decided --

THE PRESIDENT: No, I have not been out to see all of them. I think there are two other sites.

Q Are you going to see them?

THE PRESIDENT: Yes, we are going to take another little trip.

Q Mr. President, what are the odds on another session?

THE PRESIDENT: I don't know. I am trying to make book at the present time.

Q That is what we are doing.

Q There are books being made around the Capitol on whether or not you are going to sign the Sugar Bill. Do you know the odds on that?

THE PRESIDENT: I have not read the amendments that were put on.

Q In connection with this voluntary census of unemployed, what would be the definition of the word "unemployed" in that connection?

THE PRESIDENT: That will be, very largely, up to the individual. In other words, it will be a registration and the questions will be kept just as simple as it is possible to keep them. Then, depending on those questions, people will be given certain qualifications.

Q Will it be quite an exhaustive questionnaire that they will fill out?

THE PRESIDENT: No.

Q It will not be?

THE PRESIDENT: No. We want to avoid a doorbell ringing campaign at this time and trying to ask too many questions about the family history of their great-grandmother. We want to try to make it something practical. The chief thing we want to know is how many people there are out of work who can work and want work.

Q At one time, sir, you had a doubt about the value of an unemployment census. Do you still have that?

THE PRESIDENT: I think it will help. I think it will answer a good many rather silly questions that have been raised in newspaper offices.

Q Mr. President, Mr. David Lawrence, who is Democratic State Chairman of Pennsylvania, and also --

THE PRESIDENT: I am glad you identify each one of them.

(Laughter)

Q Mr. Lawrence says that persons in Washington have asked him to run for Governor in 1938. Do you know who those persons may be?

THE PRESIDENT: I had not heard of it; never heard of it.

Q Have you decided what you are going to do about the Army Housing Bill that came down this week?

THE PRESIDENT: It has not come back yet; I don't know.

Q Are we any nearer invoking the Neutrality Act you talked about last week?

THE PRESIDENT: We are talking about it every day.

Q There was a letter addressed to you yesterday by some society for the prevention of war urging immediate application of the Neutrality Act.

THE PRESIDENT: I think we have more knowledge on the subject

than any private society, without derogation to them.

Q When discussing that last week you cited as one of the reasons the fact that China and Japan still have diplomatic relations and that a Charge d'Affaires was still in Nanking. The reports are now that he has left Nanking.

THE PRESIDENT: Does that mean, however, that diplomatic relations have been broken off?

Q No.

Q Wasn't that a Consul General instead of a Charge d'Affaires?

THE PRESIDENT: I think so.

Q In the District of Columbia there is an Alley Dwelling Authority which is a Federal Commission entirely, reporting to you. Do you happen to know whether or not that will have authority under the Housing Act --

THE PRESIDENT: I have not looked into it. All I know is that Bob Wagner, when the Bill went through the Senate, was perfectly sure that it would be the Housing Authority for the District. But I do not know what has happened in the House on the Bill.

Q I don't know that anything has happened to it to disturb that. The question was whether you would be willing --

THE PRESIDENT: I would be glad to have them act because they

have done a grand job, a perfectly grand job.

Q There is considerable speculation that you will take a trip to the Coast this Fall.

THE PRESIDENT: Steve (Early) came in and I told him two dates and that is absolutely true. I have not any dates except the 17th of September, which is the Antietam celebration in the afternoon and the Constitution Party at the Washington Monument in the evening, and the other date is Warm Springs. I haven't any plans.

Q Have your week-end plans been made?

THE PRESIDENT: No, not even week-end plans.

Q Do you plan to go to Hyde Park shortly after adjournment?

THE PRESIDENT: Within ten days. It may be two days and it may be ten days.

Q Any truth to the report that you are going to see the New England Governors on flood control?

THE PRESIDENT: I don't know; are they coming in?

MR. McINTYRE: No, sir.

THE PRESIDENT: Mac says, "no".

Q Do you favor the child labor legislation that has passed the Senate and is now up in the House?

THE PRESIDENT: I have not read it yet.

Q The new flood control law just going through Congress gives

the President power to remit 50% of the local cost where communities cannot raise money. Do you favor that sort of discretionary authority?

THE PRESIDENT: I would much rather I did not have it. But there are certain cases, certain communities along the flood rivers, where a system of levees is required and where they have no levees at the present time, and the community cannot pay for the land. I would much rather that Congress determine that in each case. However, if they put it up to me and if it goes through, I will have to decide that for them.

Q Will you set up some form of regulations to determine the degree of poverty?

THE PRESIDENT: Well, we have the same sort of thing now on PWA projects, on schools and so forth and so on; we cannot give them the money, 45%, unless they show they have come to the end of their borrowing power or something of that kind. There is nothing very new in that.

Q How is the 10% kitty in the Departments?

THE PRESIDENT: It is coming on fine; it is all right.

Q Are you accomplishing results?

THE PRESIDENT: Yes, we are getting on all right.

MR. EARLY: Getting back to your New England flood conference,

Governor Hurley of Massachusetts reports that he cannot get the Governors together at this time.

THE PRESIDENT: Steve says Governor Hurley reports he cannot get the Governors at this time, so he is withdrawing a request to meet me today or tomorrow and they will come down some time later on.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #394
Executive Offices of the White House

August 24, 1937, 4.15 P.M.

THE PRESIDENT: You are going to have a bad time. I haven't any news for you and your bosses are telling you to write columns. How are you going to do it?

Q Write columns. (Laughter)

Q There is a lot of room for speculation. Where are all those 175 bills?

THE PRESIDENT: Well, don't mix up speculation with news. You had better label it. (Laughter)

MR. DONALDSON: All in.

THE PRESIDENT: We have been having a discussion in the front row as to how to write stories. I said that I was terribly sorry but I had been so busy that I haven't any news and that is pretty tough on you people because you are called on to write columns. Earl Godwin piped up and said, "We will write them anyway." And then somebody else said, "We have to put in speculative stuff." I said, "Fine, but suppose you mark it 'speculative' at the top of the paragraph."

As a matter of fact, I really have been too busy to give you any news. I have been signing bills and I'm going to keep on signing bills. And I'm also doing a lot of studying.

The only thing I can tell you about is that on the Joint Resolution on Cotton, I'm going to sign that this afternoon. Somebody asked about the status of the FACA, the Federal Alcohol Control, and the answer to that is that there is no change contemplated. It is going on the way it is going.

Q Mr. President, in order that we might arrange our vacations and things like that, could you straighten us out on the Special Session problem which is bothering everybody?

THE PRESIDENT: We talked about it at lunch and the matter is under advisement and I cannot tell you any more than that because I don't know. It affects my vacation too.

Q Last Sunday night Mr. Farley made a speech to the Young Democrats in Indianapolis, preaching the spirit of party unity. At the same time, at the same hour in Washington, Senator Guffey made a speech in which he called for expulsion from public life, on account of their opposition to your plan, your Court Plan, of Senators Wheeler, O'Mahoney, Burke and so forth.

Will you please tell us which speech was closer to your own ideas? (Laughter)

THE PRESIDENT: Your question is based on a complete fallacy and that is that I have read any speeches in the past two weeks. I haven't even read Jim's (Roosevelt) speech or my

wife's speech, and those would be the first I would read.

Q Will you accept my statement as to what they contain?

THE PRESIDENT: No. (Laughter) Without any implications about your veracity; it is all right.

Q Have you any answer to the charge of John L. Lewis that the Democratic Party has been unable to fill its campaign pledges?

THE PRESIDENT: Same answer.

Q Have you taken any action to stop the sale of campaign books?

THE PRESIDENT: I don't believe I have read anything other than the headlines for the past two months.

Q Would you care to amplify for the record or off the record Secretary Hull's statement of last night?

THE PRESIDENT: I read that with great care because it was submitted to me before it was sent out and I wrote on it -- if you will get hold of the original, on the top you will find written, "Okay, I heartily approve, FDR."

Q Did you sign the Army Housing Bill yet?

THE PRESIDENT: Not yet. That has not come to me.

Q Have you decided whether you are going to make nine or ten-cent cotton loans?

THE PRESIDENT: Not yet.

Q Are you going to sign the sugar quota bill?

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THE PRESIDENT: It has not come to me yet.

Q Mr. President, can you tell us what you think of the record made by Congress?

THE PRESIDENT: Oh, no. (Laughter) It is the fifth Congress and I don't think I have made any statement about previous Congresses, have I? I have not. We will be consistent and treat this one like the previous ones.

Q You missed an awfully good show last Saturday afternoon.

THE PRESIDENT: So I hear. Some of them drifted down late and told me about it.

Q Did you read the record of that debate in the Senate, Mr. President?

THE PRESIDENT: No.

Q Any prospects of a Western trip?

THE PRESIDENT: I haven't the faintest idea. I haven't made any plans at all, except that I'm going to Hyde Park Thursday night and I think I may, about a week from then, in order to get away from the telephone, get on board the Potomac and go down to Long Island Sound and watch some of those six-meter races, or whatever the size is. They are those little bits of boats. They are the International Races.

Q They are the star boats?

THE PRESIDENT: They are not star boats. I think they are called six-meter boats. They are about 19-foot waterline.

Q Did the visit of Mr. Biggers have any significance this morning?

THE PRESIDENT: No, we talked over various things and I asked his opinion on quite a lot of things. He is one of the people whose opinions I like to ask. There are a good many of them, as you know, scattered all over the country.

Q Are you going into the general question as to the sites on dams that are being built in all sections of the country, the Pittsburgh district as well as the four States in the New England compact?

THE PRESIDENT: I think so. The War Department has a policy they are following out. You had better get it from them. In other words, we don't want to build dams on other people's property with our money. That is about the size of it.

Q Is the argument back of it the power --

THE PRESIDENT: Everything, everything.

Q Mr. President, where is the sugar bill now, in the State Department?

THE PRESIDENT: I don't know. I think it is probably in Danny Bell's office.

Q Is that the last stop in its journey before it comes back to you?

THE PRESIDENT: Yes.

MISS CRAIG: Thank you, Mr. President. (Laughter)

CONFIDENTIAL
Press Conference #395
Dutchess County Fair Grounds, N. Y.
August 31, 1937, 3.00 PM

Q Mr. President, this has been a working vacation, has it not?

THE PRESIDENT: I have a flock of bills that I haven't even looked at today. What have you been doing? I hear you have been taking some of Mac's money.

Q It is good money, too.

THE PRESIDENT: Not to Mac.

Q Anything to be said on the Far Eastern situation today?

THE PRESIDENT: Nothing to be said except what has come out in the papers. Really, you have the whole story -- it is all in the State Department.

Q Anything you can say about it?

THE PRESIDENT: No, I am on the telephone about three times a day.

Q Still on a 24-hour basis?

THE PRESIDENT: Still on a 24-hour basis.

Q Have you disposed of the sugar or housing bills?

THE PRESIDENT: Not yet, but that will be very soon.

Q I suppose the Special Session is still under advisement.

THE PRESIDENT: Just as I said before.

Q Can you tell us anything more about the possibility of a trip out west?

THE PRESIDENT: No, Bob (Post). To be quite frank, I haven't thought about it since coming here. I am going to begin thinking about it in the next few days.

I think everything is awfully quiet. I have been cleaning up a lot of work.

Q We noticed that.

Q We have been making some arrangements to cover your fishing cruise.

THE PRESIDENT: Have you got a boat?

Q We think so. Bob (Post) is trying to make arrangements for one. We would like to --

THE PRESIDENT: I think the best thing to do would be for all of you, instead of going down the river, which would cost you more money, it would be better for you to get a boat in New York and get aboard about midnight Thursday. We will get down, through New York, just about midnight, and you could then pick us up wherever you are. We go down the North River and out through the East River and Hell Gate.

Q Then you intend to go around the Battery and not through the Harlem Canal.

THE PRESIDENT: I think we will go down around the Battery.

Q Can we have a rendezvous with you on the Hudson?

THE PRESIDENT: We will let you know Thursday morning about the exact time we will be passing the Battery and you can pick us up, probably on the East River.

Q Will you make any anchorages in different spots?

THE PRESIDENT: I will anchor at night except for that first night, but I haven't any plans.

Q Approximately what time will anchorages be made? Have you any idea?

THE PRESIDENT: No, it depends entirely on where I am headed for. My general thought is that if Friday is a nice day we might stop Friday afternoon and see the six-meter races off Huntington and then go on from there in the direction of Montauk or Block Island and spend Saturday and Sunday and Monday at the far end of the Sound and then come back Monday night.

Q Will you see the races on Tuesday?

THE PRESIDENT: Either on the way down on Friday or on Monday.

Q When do you expect to get back?

THE PRESIDENT: We will land here Tuesday.

Q Would you like to say anything for the local press concerning the time you will be here and the reception on Moses Smith's farm?

THE PRESIDENT: Well, I think you have all the news there is.

I will be back here probably Tuesday on the boat and stay for perhaps a week before I go on to Washington for the the Constitution Day exercises, and then I will come right back here after the 17th, probably the 18th or the 19th.

Q In that connection, Mr. President, what have you decided about the 20th of September, the American Legion? Colonel Johnson, I believe, renewed that invitation to go to New York.

THE PRESIDENT: I would like to go if I can arrange it, but I doubt very much if I can arrange it.

When I leave here, I am going back to work on bills.

Q Any comment on the sugar bill?

THE PRESIDENT: No, because it has not been acted on.

Q Mr. President, for our information, for background anyway, could you discuss what your action on the sugar bill would mean as to the possibility of a Special Session? Would a veto be an indication of a Special Session?

THE PRESIDENT: No, no relationship at all.

Q Then, in case of a veto, I understand that the present regulations go out of effect on December 31st.

THE PRESIDENT: You are right on that, perfectly correct. In case of a veto, it might be an indication of a Special Session. But, on the other hand, in the case of a

signature it would not necessarily be an indication of no Special Session. (Laughter)

Q The indications are rather strong for a Special Session. (Laughter)

Q Are you going to see Ambassador Bingham tomorrow?

THE PRESIDENT: I think he is coming up tomorrow.

Q Anything in particular?

THE PRESIDENT: No, nothing at all. Mac gave you the lowdown on that.

Q Is he over, as reported, to advise on the Anglo-American --

THE PRESIDENT: Didn't Mac give you the lowdown on that?

MR. McINTYRE: I did. I told them that he had asked for permission to come home for personal reasons.

Q He is going back?

THE PRESIDENT: Oh, yes.

Q The way I prefaced that sugar law question, how should that be used?

THE PRESIDENT: I think you can use it in that way, but without attribution in any way.

Q Without attribution?

THE PRESIDENT: Without attribution. Just a darn' good guess. That is a perfectly legitimate one.

Q I am glad you approve one of my guesses. (Laughter)

THE PRESIDENT: The exception proves the rule, you know. It is all right. (Laughter)

Q If there is a Special Session, is it more apt to be late than early?

THE PRESIDENT: I am not saying anything about a Special Session. You are crowding the mourners now. One hypothetical question was enough.

Q For one day. (Laughter)

Q There is one thing, just so that we may lay our lines of action. With respect to your action on the sugar bill, you will be leaving Thursday afternoon, late. Will we get it before we leave?

THE PRESIDENT: You will get it before you leave, in plenty of time. I will tell you what I will try to do: If I can get through I will try to give you action on Thursday around two o'clock.

Q We can say that?

THE PRESIDENT: I'm going to try to.

MR. McINTYRE: I don't think you want to use that.

Q I was asking more for guidance than for use.

THE PRESIDENT: It will be just an effort on my part because there might be three or four things that I may have to get some information on at the last minute.

Q That would free us from worry on all those bills too.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #396
On board the USS POTOMAC, off Block Island, R. I.
September 4, 1937, 11.00 AM

THE PRESIDENT: I have been trying to take up this thing -- it has been made public but has never been used -- I have here the total figures of all the classes of PWA grants and loans under the PWA Extension Act of 1937. I am afraid I'll have to give you figures. We have all the PWA allotments ever since the Bill passed. We have had categories in accordance with Sam Rayburn's statement on the floor of the House to determine what would be the rules for distribution of local grant money -- five categories are mentioned: The first category was for school projects to replace, eliminate or ameliorate existing school facilities or conditions which are hazardous to the life, safety or health of school children. There were two categories of applications here which we threw out: One were those applications for Federal money to relieve overcrowded conditions -- obviously, it was felt that this was not an obligation of the Government but of the local authorities. The second category which was thrown out was where fire hazards could be corrected by minor alterations and repairs which would cost but a few thousand

dollars -- such as widening front doors, replacing wooden stairs with steel stairs, protecting pipes in basements, replacing wooden fire escapes with steel ones -- all minor repair projects -- these were not obligations of the Federal Government. Applications were approved where the funds would be used to overcome obviously dangerous conditions, or to eliminate scattered and unsanitary schools. I was surprised to learn that in some cases the construction of one new school, we could eliminate six to twelve old wooden schools. These were allowed. In class one we had applications for sixty million dollars -- that is for eliminating hazardous conditions and replacing or eliminating existing facilities. We allowed sixteen million dollars.

Q Is that total valuation of construction or new allotments?

THE PRESIDENT: All allotments -- this is all Federal money, $11,000,000 of loans were applied for -- $11,000,000 -- we allowed $2,000,000.

Q Were the $16,000,000 outright grants?

THE PRESIDENT: The $16,000,000 were actual outright grants -- $2,000,000 in loans. I have these papers here and can give them to you -- they have been made public.

In the second classification -- that was for projects

which had been authorized by the locality and for which bonds and other obligations had been authorized up to last June 29th -- these were for all kinds of improvements but most of them were for schools -- dormitories at State Universities -- some paving jobs -- that was what we called the "moral obligation" class. The total applied for was $70,000,000 of grants and we approved applications for $55,000,000. The total applications for loans totaled $22,000,000 -- we allowed $6,500,000. These were all local projects -- counties, towns, cities, et cetera. There was included sanitary sewers -- in that we adopted a brand new Government policy -- no money of either grants or loans to any municipality where their sanitary sewages emptied into any stream or other waters at a point where it would create pollution. There were two quite interesting exceptions -- the first was in the lower Mississippi where our health people said that the water became aerated to such an extent that pollution would not occur and it was perfectly all right to permit the sewage system to drain into the river. I was surprised that this was true but there is the statement of the health people. We allowed connecting sewage for the city of Memphis -- it will drain south of the city and

not along the waterfront. Springfield, Massachusetts -- where the new sewage system will eventually, though not immediately, be used for sending the sewage to a sewage disposal plant -- but for the time being it will run into the Connecticut River.

Then came the third classification -- projects for which appropriations have been made by State Legislatures -- they applied for $15,000,000 -- we gave them $14,500,000 in grants -- there were no loans involved.

Q $14,500,000?

THE PRESIDENT: Yes, $14,500,000.

Then came the fourth classification --projects to be financed by issuance to contractors tax or assessment securities at not less than par value. They applied for $15,000,000 -- we gave them $2,500,000.

Then the fifth classification is old fund projects for which funds definite allotments have not been made -- where the funds are hung on a peg -- the total is $54,000,000 -- we gave them $9,000,000 in grants, $11,000,000 in loans.

Q How much in loans was applied for?

THE PRESIDENT: $78,000,000.

Now I can give you the totals by States but the

trouble is that the total figures do not prove anything. In other words, one or two very large projects , like the Crosstown Tunnel in New York, will throw the whole State out of balance. But you can see by the figures that it runs along a pretty even basis. I have the total figures here, of the five classifications. There were $204,000,000 grants applied for; we allowed $96,000,000. There were $119,000,000 loans applied for; we allowed $19,000,000. I will have to revise that $19,000,000 in loans because it does not include New York and Nebraska -- with reclamation and power it is $46,000,000 in loans. These are the latest figures. Sorry I cannot check them with you -- it is $102,000,000 in grants instead of $96,000,000. That includes other projects within these five classifications. The latest figure is $102,000,000 in grants, $46,000,000 in loans.

Q What is the cost of the projects involved?

THE PRESIDENT: I will have to do it for you on a grant basis and will have to estimate it. This is all right. The total cost of these projects is $254,000,000, plus $318,000

Q Of the projects allowed?

THE PRESIDENT: Yes. There were $102,000,000 in grants and $46,000,000 in loans -- the balance is financed by the

localities themselves. You can take these papers.

Q Does that wind up WPA?

THE PRESIDENT: No. There are a certain number of projects on which we must have more information, but the total addition will be small. This that I have given you covers about 90%. Some projects are dependent on court decisions; if favorable, they will be financed by funds on the peg.

Q Would that come out of old money.

THE PRESIDENT: I think so. Harry (Hopkins), would any of it come out of old money?

MR. HOPKINS: I do not think there is any new money involved.

THE PRESIDENT: Authority was given to dip into the revolving fund for $400,000,000 on these figures. We will not need to do it.

Q That $400,000,000 is to be obtained by securities already had?

THE PRESIDENT: We have been authorized to use the general revolving fund instead of turning back the money. The cash available and unobligated is $40,000,000 so that it will not be necessary to dip into the RFC. We have $127,000,000 that can be sold to the RFC -- this doesn't hit the budget at all.

Q Have you gone over WPA with Mr. Hopkins?

THE PRESIDENT: Not yet; he says "not soon."

Q Were you listening in on the radio Friday when J. L. Lewis made his speech?

THE PRESIDENT: I do not think so.

Q What was your reaction to the speech?

THE PRESIDENT: There wasn't any.

Q What are your plans for the next twenty-four hours?

THE PRESIDENT: Stay here.

Q Have you decided whether you are going West?

THE PRESIDENT: Not yet. Things depend a lot on the Chinese-Japanese situation. When I get back I will look over things and would like to go but do not say I can. If I do go it will not be a speech-making trip but an intaking trip. There are various things I want to look into. There will be no politics.

Q Does that mean you will not make any speeches?

THE PRESIDENT: Might say a few words occasionally. It will be just to look things over -- something like the drought trip -- I did not make speeches on the drought trip.

Q Have you come to any conclusion about a special session?

THE PRESIDENT: Not yet.

Q What do you hear about the Far East?

THE PRESIDENT: Nothing more than you see in the papers. There

are still 7,780 Americans in China. They are scattered all over the place. Of course, word has been sent to practically all of them strongly urging them to leave, but a great many are disinclined to come out. Those who have the opportunity to come out and refuse to do so are staying there at their own risk.

Q Is the policy the same as it was with Italy and Ethiopia?

THE PRESIDENT: The same as in Spain.

Q Is your policy with respect to the Neutrality Act the same as it was?

THE PRESIDENT: Still on a 24-hour basis.

Q What effect would invoking the Neutrality Act have on the Nine-Power Treaty? Do you have anything in mind about that?

THE PRESIDENT: I do not think the two things tie in. The difficulty about Neutrality at this particular time is the difficulty of maintaining ships in the ports if we issue a proclamation -- the problem of the Marines in Peiping -- they are there whether we like it or not -- the Army in Tientsin and the Marines in Shanghai. It is a nice question -- how we can issue a proclamation of Neutrality and maintain this and still get Americans out -- it is a difficult problem. It is very difficult to make

the two things work together. The thing is complicated further -- no one knows where the next pressure area is -- the main port of evacuation next may be Canton, or Foochow or Amoy or Chungking -- it is impossible to tell.

Q Do you have any reason to believe Japan is obtaining foreign credits from any sources?

THE PRESIDENT: I do not think so. We would know about them if they were.

Q Have you taken any position on the Nazi party which Ambassador Dodd did not attend?

THE PRESIDENT: No. When an American Minister receives an invitation from a Foreign Office to go to a party, he has to go. That is about the answer. I imagine the thing was discussed by a good many people, but being a diplomat you have to go when you are invited. Say I especially invite through the State Department the Diplomatic Corps to attend the Antietam celebration -- they would have to come no matter how much they disliked the idea. That is all there is to it.

Q Still plan to get back to Poughkeepsie Tuesday?

THE PRESIDENT: Probably. If tomorrow does not turn out to be a fairly good day we may head that way.

Q Any fishing luck?

THE PRESIDENT: Good luck -- bass, porgies, tautog. Doc O'Connor got that last one -- tautog. We all had fish for breakfast.

Q How long do you plan to stay in Washington after you get back?

THE PRESIDENT: Three or four days. Go down about the 14th and leave Friday the 17th or Saturday the 18th, back to Hyde Park.

Q If you go to the Northwest, what time will you leave?

THE PRESIDENT: Soon after, if I can. I have not determined it yet.

Q Will you stop at Bonneville and Coulee?

THE PRESIDENT: I don't know.

Q Thank you, sir.

CONFIDENTIAL
Press Conference #397
Hyde Park, New York

September 11, 1937, 11.20 A.M.

THE PRESIDENT: Good morning.

Q Good morning, Mr. President.

THE PRESIDENT: Where is Casey?

MR. HOGATE: Good morning, Mr. President.

THE PRESIDENT: Glad to see you. I don't think there is any news at all today. That is very sad but I have been trying to give them lots of stuff, trying to manufacture news for them day after day, so, finally, after three or four days it has run out.

Q Are you going back to Washington sooner than you had expected to?

THE PRESIDENT: No; I don't know what night but I think it will be Monday or Tuesday night.

Q It might be Monday?

THE PRESIDENT: It depends on how things jam up. Look at this (indicating pile of correspondence), that is unfinished work.

Q Mr. President, there were two totally unrelated events that happened last week: the French nationalized their railroads and Carroll Miller, speaking before the Utilities Commission in Utah, said something about throwing all the railroads in the United States

into one system and that has aroused at least renewed discussion about nationalizing our own railroads. I wonder if you have any thought on that?

THE PRESIDENT: I have not even heard of it.

Q My recollection was that in your Salt Lake City speech you very definitely laid out, supplied a plan whereby these roads -- it followed that they could stay privately-owned and operated -- you thought --

THE PRESIDENT: Oh, yes; that was in the speech in Salt Lake City. I have not said anything further since then. I have not said another thing since then that I remember to change that.

Q I am glad I asked the question but let us put it off the record.

THE PRESIDENT: Go ahead, don't beat around the bush.

Q All right, do you favor nationalization of the railroads of the United States?

THE PRESIDENT: Only as the last possible resort. I have wanted to keep them privately-owned all along if it is possible to make them go in private ownership. I think we have all favored that, the Interstate Commerce Commission and everybody else.

Q Can we use that?

THE PRESIDENT: Yes, you can use it.

Q Mr. President, the situation in the Mediterranean and in the Far East has created a psychological atmosphere in America here that has everybody jittery --

THE PRESIDENT: Yes, all over the world.

Q You anticipated me.

THE PRESIDENT: Yes, all over the world and rightly.

Q That is true.

THE PRESIDENT: And rightly. I think that is all that one can say. And that is not only in financial circles, it is in every home all over the world, not just the United States but in every home all over the world and with respect to every democratic government. I don't know about the others; I am not speaking for the others but I can come pretty close to speaking for the democratic governments of the world. You can use that too.

Q Thank you.

THE PRESIDENT: I think he (Mr. Francis McCaffrey) is doing pretty well this morning. He is getting some real news.

Q (Mr. Hogate) I did not know he had it in him.

THE PRESIDENT: Did you catch him first?

Q (Mr. Hogate) No.

Q (Mr. McCaffrey) No, we are bitter rivals for the minute.

THE PRESIDENT: I wondered.

Q (Mr. McCaffrey) But the best of personal friends.

Q Mr. President, is there anything further you can tell us about the Americans in China?

THE PRESIDENT: No, no more than what has appeared in the papers.

Q I saw a story yesterday that Mr. Hull had said that full protection would be extended indefinitely and so forth?

THE PRESIDENT: This (indicating) came in this morning. It is a copy of the statement to the Press yesterday on the Far Eastern situation. I will read it. (Reading from a resume of Secretary Hull's Press Conference)

"On yesterday I was asked some detailed and, to a certain extent, theoretical questions about our evacuation -- about our policy toward our Nationals in Shanghai. I said: 'I tried to make it as clear as possible the situation as it appeared from week to week and sometimes day to day in all its essentials. When disturbed conditions arise in a country where another country has Nationals, the question of the responsibility of that country towards its Nationals in the disturbed area is one question that presents itself to the government. When

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conditions became more or less turbulent in certain areas of China, this government had a fair conception of what its responsibility was toward its Nationals in connection with furnishing protection against unorganized mobs or uncontrolled groups of disorder and also in furnishing them with facilities for evacuation. That responsibility was very clear. The government is going forward with entire unanimity from the beginning in the performance of that responsibility. There is no misunderstanding by anybody, anywhere, and that is the only question that is presented.'"

Have you read all of this?

Q We have the general gist of it, sir.

THE PRESIDENT: Then, speaking off the record for one sentence -- this is off the record, because that is what it is, (he said) "That is the only question that is presented." In other words, I would have said all that by saying, "Get out, that is an 'if' question." (Laughter) But I am not nearly as polite. You have got all the rest.

Q Mr. President, in connection with China, after all reasonable efforts have been made to evacuate Americans there and all have been notified, does it then follow that you will withdraw the ships?

THE PRESIDENT: My answer to Mr. Durno is this, "That is the only question that is presented."

Q Oh, I don't want to hear that again. (Laughter)

Q Any decision as yet, sir, on the Western trip?

THE PRESIDENT: Not yet and probably won't be until after I get to Washington.

Q Anything on the Special Session of Congress?

THE PRESIDENT: No.

Q Would it be a fair assumption that that decision will not be made until after the Western trip?

THE PRESIDENT: I don't know, Bob (Post). I really don't know. I haven't any idea myself. I would not know what to write on it. Take it under advisement and when there is a decision I will let you know.

Q Your Constitution Day speech was written for you by Mr. Warner in the Tribune. I wondered --

THE PRESIDENT: I haven't the faintest idea -- I haven't begun to write it. I think we ought to have a prize for the columnist who gets the closest to it. George has developed into a columnist now. He would qualify. Isn't that right?

(Mr. Lindley) I think he would make a good one.

THE PRESIDENT: He is a good columnist but he is not a good news reporter. (Laughter) Isn't that right?

Q (Mr. McCaffrey) He had better duck.

THE PRESIDENT: That is right; we all know it. We can talk that way in the family. (Laughter)

I don't know that there is any other news. You have the list of people coming today. It consists of Bernard Baruch, who is coming to lunch to tell me what he saw on the other side. Then we have the Home Club at 3, and I don't think I will talk about anything except the general line I have used before about local planning. I may say something about the school situation in the Town of Hyde Park, which is serious.

8-17-55 [RCB]

Q You have seen Ambassador Bingham and Mr. Gunther and Mr. ~~McVeigh~~ Mae Veagh and Norman Davis is coming up --

THE PRESIDENT: He is coming Sunday, yes.

Q And I suppose you will see William Phillips when you get back to Washington. They all seem to be coming back at the same time. I was wondering --

THE PRESIDENT: No, they all came in separately.

Q Any conference planned?

THE PRESIDENT: Every time that anybody comes back from the other side I see them and talk to them just to keep in touch. This time of the year they are very apt to come back because they have children going to school.

Q Do you have any message to the Democrats of Dutchess County?

THE PRESIDENT: Not even that. (Laughter)

I am going to discuss international affairs with Mr. Hogate now.

Q Don't let him scoop us.

Q Thank you very much, Mr. President.

CONFIDENTIAL
Press Conference #398
Executive Offices of the White House
September 14, 1937, 4.00 PM

THE PRESIDENT: Welcome. You look as if you had a good time.

Q Did you get many fish?

THE PRESIDENT: We got so many one day we got tired of pulling them in.

Q I got three hundred bass.

THE PRESIDENT: We caught over a hundred at Fishers Island in about three hours of fishing.

Q That was the only real day you had.

THE PRESIDENT: I think they call them Tautog. You fellows call them striped bass.

Q Are they pretty game?

THE PRESIDENT: No.

MR. DONALDSON: All in.

THE PRESIDENT: Anticipating what you are going to ask and in order to save time (laughter) -- I know approximately what is on your minds and I want to be helpful if I can. Therefore I am going to give you this statement for direct quotation. Get out your pencils. (Reading) "I know only what I have read in the newspapers. I know that the stories are appearing serially." -- not

seriously, I said "serially" -- "and their publication is not complete. Mr. Justice Black is in Europe where, undoubtedly, he cannot get the full text of these articles. Until such time as he returns, there is no further comment to be made."

That is all.

Q Will you read the whole thing again, sir?

THE PRESIDENT: "I know only what I have read in the newspapers. I know that the stories are appearing serially and their publication is not complete. Mr. Justice Black is in Europe where, undoubtedly, he cannot get the full text of these articles. Until such time as he returns, there is no further comment to be made."

Q Has Mr. Justice Black been communicated with by you or any member of your Administration?

THE PRESIDENT: No.

Q You said, "No"?

THE PRESIDENT: No; I said, "No".

Q Have you any information as to the time of his return?

THE PRESIDENT: No.

Q Prior to the appointment of former Senator Black, had you received any information from any source as to his Klan membership?

THE PRESIDENT: No.

Q May we ask, if it turns out that he is a member --

THE PRESIDENT: That is an "if" question.

Q Did the Department of Justice make the usual investigation that they do with respect to members of the judiciary as to Mr. Justice Black?

THE PRESIDENT: I don't know.

Q Mr. President, is there anything you can say on the international situation?

THE PRESIDENT: Nothing more to add to what I said at Hyde Park the other day, which still holds good. It is taking the principal part of my time.

Q No decision about the western trip, Mr. President?

THE PRESIDENT: I cannot decide, that is the trouble.

Q Cannot decide or cannot make it, Mr. President?

THE PRESIDENT: I cannot decide yet.

Q Mr. President, do you favor an investigation on the scrap metal market such as has been proposed by the four departments; Army, Navy, and, I believe, the Departments of Interior and Commerce were also favorable to it?

THE PRESIDENT: An investigation of the scrap metal market?

Q Yes, sir; an investigation of the scrap metal market.

THE PRESIDENT: What do they want to know?

Q Domestic supply, the drain caused by export demands and all of that.

THE PRESIDENT: Haven't they got all those figures?

Q I doubt if they show --

Q Yes, Mr. President, they have those. I have read them time and again.

THE PRESIDENT: I never heard of the suggestion. You know, there was an investigation made by an inter-departmental committee about four or five months ago.

Q Secretary Hull informed the Committee, apparently, that he would be glad to make that report public. I don't believe that it has ever been made public.

THE PRESIDENT: I don't know of any reason why it should not be.

Q Have you appointed a successor to Chairman Landis of the SEC yet?

THE PRESIDENT: Not yet.

Q What do you expect to see Governor Earle about today?

THE PRESIDENT: He was in Europe and just got back, just landed.

Q Did you say when you will return to Hyde Park?

THE PRESIDENT: The same thing applies to that. I cannot make any plans. I have not made any plans beyond Friday evening's speech. You can say this, though, Russ (Young),

that if I stay over on Saturday I am going down to see that motorboat race that I have been trying to see for five years.

Q That is the President's Cup Regatta?

THE PRESIDENT: Yes, but I am not at all sure that I can stay over. So do not announce it as something that I am going to do.

Q Are you nearer any decision regarding an extraordinary session of Congress?

THE PRESIDENT: Not yet.

Q Have you any idea of going to a football game Thursday night? It is played locally.

THE PRESIDENT: I wanted to very much but, knowing I have to make two speeches, I am afraid I cannot. I will have to work all Thursday night.

Q Can you tell us anything about the call by the Spanish Ambassador today?

THE PRESIDENT: No.

Q Mr. President, can you tell us anything about the credit situation? Is there any concern over it?

THE PRESIDENT: As to what?

Q Over the money situation, the possibility of a money pinch.

THE PRESIDENT: You will have to ask the Secretary of the

Treasury about that, I would not know. I am always in a money pinch.

Q Mr. President, can you tell us anything about your talk with Mr. Hull and Mr. Kennedy today?

THE PRESIDENT: I think we will probably have something -- I don't know whether you will get it tonight or tomorrow -- in regard to shipping headed for the Far East. I cannot give you anything because it is not written out yet.

Q Headed toward the Far East?

THE PRESIDENT: I don't know whether it will be ready tonight or whether you will have to wait until tomorrow.

Q Will that apply particularly to the steamer Wichita?

THE PRESIDENT: No, it will be general.

Q Can you tell us anything about the Wichita which is Government owned?

THE PRESIDENT: I think the Wichita at the present time is proceeding from one American port to another.

Q Are you still considering the application of the Neutrality Act?

THE PRESIDENT: That is always under consideration and has been for weeks.

Q To get back to the Black situation, did the Senate discharge its full responsibility?

THE PRESIDENT: (Reading) "Until such time as he returns, there is no further comment to be made."

Q That seems to be a hint that there may be a further statement after he returns.

THE PRESIDENT: No, don't write yourself out on a limb.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #399
Hyde Park, New York
September 21, 1937, 3.00 PM

(There was general conversation with respect to the ball game at Lowell Thomas' the previous Sunday. During the conversation Mr. Early telephoned from Castalia, Ohio, and spoke to the President about his fishing trip, saying that he was going to put some trout aboard the train while it was en route through Ohio.)

THE PRESIDENT: Doc O'Connor has been here with Keith Morgan. Mac is giving you this afternoon, for release in the Thursday morning newspapers, a story about infantile paralysis. This year there has been another very, very serious epidemic. This is merely for information now because it is for Thursday morning release. The release itself will give you the same thing. (Reading)

"I have had reports from many areas in which this disease is again spreading its destruction. And once again there is brought forcibly to my mind the constantly increasing accumulation of ruined lives -- which must continue unless this disease can be brought under control and its after-effects properly treated.

"My own personal experience in the work that we have been doing at the Georgia Warm Springs Foundation for over ten years, leads me to the very definite conclusion that the best results in attempting to eradicate this disease cannot be secured by approaching the problem through any single one of its aspects, whether that be preventive studies in the

laboratory, emergency work during epidemics, or after treatment. For over ten years at the Foundation at Warm Springs, Georgia, we have devoted our effort almost entirely to the study of improved treatment of the after-effects of the illness. During these years other agencies, which we have from time to time assisted, have devoted their energies to other phases of the fight. I firmly believe that the time has now arrived when the whole attack on this plague should be led and directed, though not controlled, by one national body. And it is for this purpose that a new national foundation for infantile paralysis is being created.

"As I have said, the general purpose of the new foundation will be to lead, direct, and unify the fight on every phase of this sickness. It will make every effort to ensure that every responsible research agency in this country is adequately financed to carry on investigations into the cause of infantile paralysis and the methods by which it may be prevented. It will endeavor to eliminate much of the needless after-effect of this disease -- wreckage caused by the failure to make early and accurate diagnosis of its presence. We all know that improper care during the acute stage of the disease, and the use of antiquated treatment, or downright neglect of any treatment, are the cause of thousands of crippled, twisted, powerless bodies now. Much can be done along these lines right now. The new foundation will carry on a broad-gauged educational campaign, prepared under expert medical supervision, and this will be placed within the reach of the doctors and the hospitals of the country. The practicing physician is in reality the front-line fighter of the sickness, and there is much existing valuable knowledge that should be disseminated to him.

"And then there is also the tremendous problem as to what is to be done with those hundreds of thousands already ruined by the after-effects of this affliction. To investigate, to study, to develop every medical possibility of enabling those so afflicted to become economically independent in their local communities will be one of the chief aims of the new foundation.

"Those who today are fortunate in being in full possession of their muscular power naturally do not understand what it means to a human being paralyzed by this disease to have that powerlessness lifted even to a small degree. It means the difference between a human being dependent on others, and an individual who can be wholly independent. The public has little conception of the patience and time and expense necessary to accomplish such results. But the results are of the utmost importance to the individual.

"The work of the new organization must start immediately. It cannot be delayed. Its activities will include, among many others, those of the Georgia Warm Springs Foundation, of which I have been President since its inception. I shall continue as President of that foundation but in fairness to my official responsibilities I cannot at this time take a very active part in the much broader work that will be carried out by the new foundation, and I therefore do not feel that I should now hold any official position in it. However, because I am wholeheartedly in this cause I have enlisted the sincere interest of several representatives and outstanding individuals who are willing to initiate and carry on the work of the new foundation. Its personnel will be announced as soon as it is completed."

There is no personnel list out as yet because we are not ready with it. But the purpose is to coordinate all work against infantile paralysis.

Q Warm Springs will continue the work it is doing?

THE PRESIDENT: It will be merely one phase. There will be the Rockefeller Institute and the Harvard Medical Center and the University of California and the work out at St. Louis and in Indianapolis and in different hospitals all over the country. The Warm Springs Foundation will be

one of dozens.

Q There are about sixteen altogether that have been getting these contributions?

THE PRESIDENT: Yes. There are about sixteen research and there are about, probably, a hundred hospitals that are working on the after-effects. Then, of course, there are the public health bodies that are working on the new nose spray. So you have three things, the research, the public health, the doctors that are working on the nose spray which is one form of prevention, and then the after-care.

MR. McINTYRE: The new foundation will be a coordinating agency.

Q This is to be statement by you?

THE PRESIDENT: Yes, for Thursday morning papers.

Now, you have the trip --

MR. McINTYRE: I haven't given out the detailed itinerary yet.

THE PRESIDENT: Now please don't write stories on pure guesswork, unfounded guesswork, on the reason for going here or there. One of the stories was that I had given up Nebraska. I wanted very much to see Nebraska, to see the Nebraska power projects, but I could not work it in. It was a question of spending a whole extra day in order to go through by day and it is not fair to say that I gave up Nebraska for a political reason.

MR. McINTYRE: I think you might tell them, off the record, about Butte too in this itinerary.

THE PRESIDENT: I wanted to go to Butte because I haven't been there since 1932, but I could not work it in without taking an extra day. The same thing applies. If I do decide to come back to Hyde Park I hope nobody will say that I avoided going to Washington for political reasons. I may come back to Hyde Park because my mother will land the previous day. I would like to come here, if I can, but if I do come here it will not be a political reason that brings me.

Q Can you tell us about that query on Black?

THE PRESIDENT: It just is not correct.

Q Justice Black's nephew in Washington made a speech before the Alabama Club --

THE PRESIDENT: What is the name of the nephew?

Q Smith. At that luncheon he said that Mr. Black had given a full account of his activities to those persons who were responsible for his appointment. Is there anything you want to say about that?

THE PRESIDENT: Not in answer to that. I can only tell you, off the record -- no, not for attribution -- exactly what I told you before. Somebody asked me, in the first

conference, if I knew anything about it and I said, "No." A typical newspaper editorial like the Poughkeepsie paper said that I must have known. It is the same old thing and the same old story.

Q I don't think in this statement the nephew said whether the statement was made before or since. It may be that since this event occurred an account might have been made.

THE PRESIDENT: Again, not for attribution, I have had no communication one way or the other. You all know that. That is just for your information and not for attribution.

Q In that connection there seem to be some interesting developments as to whether any effort was made to ask Justice Black or to have -- whether he was asked for any explanation before the appointment was made. Can you answer that?

THE PRESIDENT: The other answer covers it. In other words, again this is off the record, suppose I were to appoint Ernest (Lindley) to the Interstate Commerce Commission. Do you suppose I would say, "Listen, Ernest, how many illegitimate children do you have running around the country?" That is something you do not ask.

MR. McINTYRE: You might ask Ernest just out of curiosity.

(Laughter)

THE PRESIDENT: Yes, I might have asked Black lots of things, just out of curiosity.

(By instructions, no notes were taken of about five minutes of discussion off the record.)

THE PRESIDENT: The easiest thing, if I were writing the story, would be to say that the President very obviously has nothing further to add to his statement of a week ago and that was the quote statement and the answer, "Did he have any knowledge," "No." You could write the story so that the President had nothing further to add to those two things; that those two cover everything.

Q Is it all right for us to say that the statement he made at that time that he had no knowledge of any Klan affiliations before the appointment still stood, nor has he received any communication from Mr. Black, in any way, since.

Q Also, Mr. President, I would like to feel free to use, "It was learned" without saying who it was learned from, "that there was no effort made" --

THE PRESIDENT: You cannot say that because if you do that you have to go into an explanation about what you do ask a fellow when you appoint him.

Q Off the record, is there any lesson to be learned from this in the future? I mean with respect to similar appointments? I mean, these Klan disclosures that fly up in the face? I mean, in the future let it be the regular duty of the

Department of Justice to be charged automatically to check up on any particular individual and to submit to you a complete --

THE PRESIDENT: No, certainly not. Here is the simple way, off the record. A man's private life is supposed to be his private life. He may have had certain marital troubles which, if they came out, might be pretty disagreeable. It certainly is not incumbent on the Department of Justice or the President or anybody else to look into that, so long as it does not come out and a fellow has led a perfectly good life.

MR. McINTYRE: So long as it does not come out as a public scandal.

THE PRESIDENT: So long as it does not come out as a public scandal. You must assume that the man, if he has led a decent life up to the present time, is all right. You cannot go and ask him about it.

I will give you an example: There was a certain man, I will call him Mr. A, who, after he had been appointed three years, had pointed out that some ten years before he had been the inside man on a local racket, somewhat against his will. There were very definitely extenuating circumstances. He had not committed a crime and

probably he could not have gone to jail for what he did. It had not even come out in the papers at the time that the racket had existed. It looked pretty bad. I sent for him and got a complete statement of the case. The thing did not come out in the papers. He realized the error of his way and had gone straight ever since that time. It was a dirty, crooked gang he was mixed up with. But you could not have found that out. You never investigate a thing like that. You would have to investigate a man's check book and his accounts and things like that.

You know, I laid down -- Ernest Lindley knows this -- in the famous Farley case that rule that evidence would be allowed in of transactions in the clubhouse -- the little tin box stuff -- before he was elected sheriff because nobody in that case had any notice of the things he had been doing. At the same time there was a fellow in Brooklyn --

Q (Mr. Lindley) Was it McQuade?

THE PRESIDENT: That is right, McQuade, and a lot of stuff about McQuade had come out during his first term of office. It had been made public and everything else and after that he had been elected. On that information it was held that all the facts were before the electorate

when they had re-elected them to office. There was that distinction. The whole thing had come out, it was an elective office and the voters said, "We know about these terrible things he did but we want him as our sheriff again." So I removed him but refused to remove him again.

Q He was one of the thirteen starving relatives?

THE PRESIDENT: Yes.

Q A statement has been issued that the Illinois Federation of Labor has invited you to address their convention on the way out on your trip.

THE PRESIDENT: I can't do it; the schedule is fixed.

Q Any possible application of those two formulae to the Black case?

THE PRESIDENT: Oh, no. I don't think they are germane.

Q Have you had any reports on the reception of your Constitution Day address as it was received in dictatorial countries?

THE PRESIDENT: No, I haven't heard a peep out of that. But I had an amazing number of telegrams and letters come in, more than at any time, and of course we do not give out the number for fear that somebody would say, "Yes, the last time he got four hundred telegrams and this time only three hundred." Of course, there were some unfavorable

ones, as usual. Actually there were two. You cannot use that because if we do it once we will have to give figures and then you get comparisons but, for your information, there were three hundred favorable and two against.

MR. McINTYRE: There have been a good many more that I have not troubled you with, letters and things like that.

Q There was a box in the Times, I think it was yesterday, to the effect that your speech had been barred in Central American countries. That is interesting.

MR. McINTYRE: The dictator idea.

THE PRESIDENT: And in Germany.

Q They formally held up publication in Germany until they could interpret it.

THE PRESIDENT: Do you think the Liberty League is going to mail it out, Brother Murphy?

Q (Mr. Murphy) I would recommend it if I were asked. (Laughter)

Q Are those PWA allotments announced today the last PWA allotments of any kind?

THE PRESIDENT: Yes. When I say "yes", I suppose there may be two or three that are still being investigated, but, to all intents and purposes, that is it.

MR. McINTYRE: The end of PWA -- that is what they want to know.

THE PRESIDENT: Yes.

Q On the end of PWA and the order with respect to National Emergency Council, has the time come when the word "emergency" is a misnomer and anachronism as, for instance, the use in connection with CCC Camps -- their name is Emergency Conservation Work -- and the FERA?

THE PRESIDENT: On that last one, we certainly are going to continue the word "emergency" because we hope that we will be able to get rid of practically all of it. In the case of CCC, I think we ought to take the word "emergency" out. I had not thought of it. My only difficulty on that is this, that I asked Congress to make it permanent and they did not, they only made it two years.

Q It might be temporary, then?

THE PRESIDENT: It might be temporary. Of course, I am pretty sure that Congress will keep on extending it at the end of another two years. It is silly to call a thing like that "emergency". You could not get Congress to abolish it to save your life. We have got it down to 15,000 camps. Taking it on the law of averages, if you throw out the big cities where they haven't got any, I suppose we have them in three hundred Congressional districts. That is an average of four to five to the district. No, they are not going to get rid of them.

Q I meant only the name itself.

THE PRESIDENT: So far as I am concerned they ought to take it out.

Q By and large, Mr. President, do you consider the emergency at an end?

THE PRESIDENT: Not "by and large". Relief is not over.

Q With the exception of WPA?

THE PRESIDENT: Practically everything else. Of course there is still RFC loaning money for emergency needs. It is awfully hard -- you cannot say that by and large it is over.

Q In connection with RFC, isn't RFC very definitely tightening up?

THE PRESIDENT: Oh, my, yes. They are lending very, very little. But there are emergencies. For the sake of example, some railroad might need refinancing. They might conclude that it was worth saving. Well, is that an emergency or isn't it? I don't know.

MR. McINTYRE: Where PWA is concerned, this is really the end of PWA as a lending agency, but they will have to continue to function for some time.

Q Twenty to forty years and sixty years?

THE PRESIDENT: On the inspection end they will have to functio

for two years and, in some cases, a little longer. For instance, they have made a loan for the New York Tunnel. That will take three or four years to finish. The bulk of the inspection work will be over in two years and that applies to only a few of the bigger projects and then, when they get through with that inspection of all of them, it will become more or less a finance organization, seeing to it that they get the money back.

Q Does this action on PWA also tie into the press conference of last Spring, the press conference in which you outlined the shift from heavy, durable goods spending to consumers goods?

THE PRESIDENT: That is apparently true, yes, but from now on we are working more and more on the expenditure of Government money for non-relief work, to the planned five hundred million, four hundred and fifty or five hundred million dollars that I have been talking about. In other words, that is the basis of need, national need -- I am not talking about relief needs -- the national need for flood control, soil erosion work, navigation, rivers and harbors improvements, reforestation, drought area reservoirs, and so forth and so on. It will work into that so that we are going to try to hold all Federal appropriations within the five hundred million dollars.

Q Five hundred million dollars?

THE PRESIDENT: Yes.

Q I remember at the time of the Spring press conference you said you would either elaborate on that at another press conference or that you would make a fireside talk.

THE PRESIDENT: I think I will. In other words, my thought is this, that when I get the report of the survey which is now going on, we will tie it up to the Budget and we will have all that five hundred million dollars divided up and explain to the country the why and wherefore of its sub-division.

MR. McINTYRE: You do that to the Press in your annual Budget conference with them.

THE PRESIDENT: I think I will spring it before the actual Budget, a little ahead, so as to prepare people for it.

Q Is that the National Resources Committee which is making the study?

THE PRESIDENT: The National Resources Committee but, of course, various other agencies such as the Army Engineers, Reclamation [Conservation], Soil Erosion Service, et cetera. That will all come in to me and then on my totals I will take it up with the Budget.

ACB 3-18-55

Q Is that the one that eventually will go to Congress, that report?

THE PRESIDENT: Yes.

Q What did Secretary Morgenthau discuss with you?

THE PRESIDENT: The only thing he came to see me about was this Assistant Counsel of Internal Revenue. I forgot he was coming. He only dropped in to say, "good-bye", on his way to Washington. He said he would keep me in touch. He asked whether this man was all right. I said, "All right", and he started off and flew back.

MR. TROHAN: Thank you, Mr. President.

THE PRESIDENT: For heaven's sake, take warm clothes, because it is going to be awfully cold in Yellowstone. You will be up seven or eight thousand feet and there may be snow.

Q Overcoats and sweaters?

THE PRESIDENT: Yes, overcoats and sweaters, it may be darned cold.

CONFIDENTIAL
Press Conference #399-A, (With members of the Canadian Press),
At the entrance of the Governor's Mansion,
Victoria, British Columbia
September 30, 1937, 3.25 P.M.

Q Have you anything to say to the Canadian people on your visit here?

THE PRESIDENT: Ever since I have been in the White House I have continued the practice, started in 1884, of going to Canada at least once a year. It is a pretty good record. And I am especially happy to see British Columbia where I have never been before. Now that I know the way, I am going to come back as soon as I can.

I am very grateful for the delightful hospitality of the Lieutenant Governor and of all the people who came out to see me on the street.

Q Did you discuss the Alaska Highway while you were here?

THE PRESIDENT: We did. I spoke to Mr. Pattullo. Our hope is, of course it is of tremendous interest because more and more people are traveling and the more good roads they have the more they will travel.

Q Is the United States anxious to see that road built, sir, through?

THE PRESIDENT: As soon as the two governments find it is time to do it.

Q Thank you very much.

CONFIDENTIAL
Press Conference #400
Hyde Park, New York
October 6, 1937, 11.30 AM

(The President's mother and Mrs. Roosevelt were present at the conference which was held on the entrance porch of the Hyde Park home.)

THE PRESIDENT: How is everybody? Little strangers -- I have often seen them in the distance.

Q We were not always sure you were on the train.

THE PRESIDENT: Ernest, how are you this morning?

Q (Mr. Lindley) We all want to get to the hotel and shower a bit.

THE PRESIDENT: The real part of the trip that you missed was Lake Crescent, so far as the crazy part is concerned.

MRS. ROOSEVELT: I read Mr. Post's story.

THE PRESIDENT: That was mild.

MRS. ROOSEVELT: I decided that it was not as comfortable, perhaps, as it might have been.

THE PRESIDENT: It was one of those rare occasions when the press, in their stories, showed real understatement.

MRS. ROOSEVELT: It showed that we are, all of us, growing a little soft.

Q I didn't say that. (Laughter)

MRS. ROOSEVELT: I can only tell you gentlemen that if you did not sleep that night, I did not either because I had to change planes every five minutes.

(General conversation about trip.)

THE PRESIDENT: I think you have got all the news there is. I don't know of any, literally.

Q Do you care to amplify your remarks at Chicago, especially where you referred to a possible quarantine?

THE PRESIDENT: No.

Q Have you had any communication with Mr. Black since his return?

THE PRESIDENT: None at all.

Q Did you have any prior knowledge of the fact that he was going to speak?

THE PRESIDENT: I just might as well talk to you, off the record. Actually what happened that day was that in the morning, I think it was Jimmie who said, "By the way, Mr. Black is going on the air tonight at 6:30." I had entirely forgotten about it. I said, "Fine," and never thought about it again, and I did not go to the Governor's Mansion to receive a telephone call, Ernest (Lindley), and I did not change cars, U. P.,

because I wanted to avoid the radio. What happened was very simple. About twenty minutes before five, before we got into Olympia, the Governor said, "It has stopped raining. Don't you think it would be a good idea to get into the open car because there will be a crowd there." When we got into Olympia there were certain reasons why we wanted to go to the Governor's Mansion -- I need not explain any further -- and after we got away from Olympia the road was wet so we slowed up the thing to prevent the policemen on motorcycles from going overboard. For that reason we had a slow run and instead of being in the open car for about twenty minutes I was in it exactly two hours and ten minutes. That is the actual, simple fact.

Q Do you care to make any comment at all on what Mr. Black said? I am sure you will recall this -- we all like surgical precision --

THE PRESIDENT: "Surgical" is good.

Q (Mr. Anderson) (Reading) "I know only what I have read in the newspapers. I know that the stories are running serially and their publication is not complete. Mr. Justice Black is abroad. Until such time as he returns there is no further comment to be made."

Now he is back.

THE PRESIDENT: Well, there isn't any comment.

Q That probably implied that there would be, did it not?

THE PRESIDENT: No. It strongly implied that there was a possibility, that is all; not that it would be. I know my English.

Q "Until?"

THE PRESIDENT: No.

Q I wonder if you could help us a little bit in interpreting.

THE PRESIDENT: Perhaps I should have used the Wall Street term, "when, as and if".

Q It did imply that there was a possibility and now there is no possibility.

THE PRESIDENT: Yes. It depended on circumstances and subsequent happenings.

Q Can we take it, then, that your attitude from now on --

THE PRESIDENT: You cannot take anything, Bob. That is an "if" question.

Q When will you determine whether there shall be an extra session of Congress?

THE PRESIDENT: I should say within the next week. I have to get back to Washington and do some checking up down there.

Q What are the conditions that will bear on that decision, the extent to which Congress is ready to proceed legislatively?

THE PRESIDENT: Partly that and partly the opinions of various people that I want to talk to and have not had a chance to talk to. I would say, for background, that probably three-fourths of the Members of Congress to whom I talked on the trip are in favor of a Special Session.

Q By the way, you did talk to the Senate Farm Committee at Spokane, Pope and McGill?

THE PRESIDENT: I did not see them at Spokane. I think I saw Pope on the way out, did I not?

Q I think so.

THE PRESIDENT: But I have not seen any of them since they started their hearings. I believe somebody on the train had seen them at Spokane --

Q That was Jim Murray.

THE PRESIDENT: Yes, Jim Murray, that was it, and he told me how they had gotten on.

Q He was under the impression that you had seen them too.

THE PRESIDENT: No, he simply told me he had talked to them and he thought they were getting on very well.

Q He told me they did think there should be an extra Session by all means.

THE PRESIDENT: Yes.

Q Is this November 15 a good guess if you do have an extra Session?

THE PRESIDENT: Well, I do hate to specify a date. If I were writing the story, I would say somewhere between the 8th and the 16th because that would give them time, if there is a Special Session, to get most of the spade-work done before the Christmas holidays. If it were made too late they would run right into the Christmas holidays before they really got anywhere.

Q Are we safe in assuming that wages and hours would come in for consideration by that Special Session, if there is one?

THE PRESIDENT: If I were writing the story I would mention the principal things such as the crop thing, wages and hours, reorganization, regional planning and, by the way, on regional planning, of course it is easy to say "the little TVA's" but of course they are not.

Q They are not?

THE PRESIDENT: No, they are not TVA's. They are not at all TVA's. In other words, the TVA, under the Act, is given complete charge over a whole region, a whole watershed and, if a dam is to be built, the TVA builds it. When an electric transmission line is to be run, the TVA runs it. When there is soil erosion work to be done, the TVA does it, and the TVA is doing quite a lot of that replanting. When it is a question of building certain communities, you will notice that

the TVA is doing it. In other words, it is a complete administrative agency for that region.

Now, the bill which Senator Norris has is an entirely different thing. It does not create any Board or Commission with administrative authority. It is merely a planning agency and, as the bill is drawn, it is nothing more than a planning agency.

Of course on the administrative end, things depend a good deal on how the reorganization bill goes through. Of course the idea of the reorganization plan originally was that there would be a Public Works Department. Now that has been eliminated but we can arrive at the same objective by an entirely different method by co-ordinating all of the public works agencies of the Government through the President's office so that after a plan for a region is made, the Congress and the President would then determine who would carry out the plan. Now, it would not be in one agency, necessarily. There might be a dam on the Columbia River, a new one, three or four or five years from now which had been recommended and which Congress appropriated for. Now, in all probability, that dam would be built by the Army Engineers or the Reclamation Service and not by the Columbia Valley Authority because that is only a planning agency. Do you see the distinction?

Q The agency would determine how much of the program is to be carried out at any one time?

THE PRESIDENT: No, the agency would only make recommendations to the planning agency of the President -- the national planning agency under the White House. I think the easiest way of putting it is this: Suppose there are eight regional agencies and they make recommendations for 800 million dollars to be spent. They all come in with their recommendations and they amount to 800 million dollars. The President confers with the Director of the Budget and with the Secretary of the Treasury. We say, "This is perfectly absurd. We cannot possibly recommend to the Congress 800 million dollars of public works. We can only recommend 200 million dollars." So we get them all in, the eight chairmen, around the table and make them cut their 800 million dollars down to 200 million dollars. Some are made to cut more than others but the total amount involved is cut from 800 to 200 million. We list those in a list marked "A" and we list another 200 million dollars, let us say, in a list marked "B" and we send those two lists to the Congress as part of the budget and we say to the Congress, "Here is what we have all agreed on as being the best projects. They are in list 'A' and we can afford 200 million dollars which they will cost

but, for your information, here are the next best, another 200 million dollars, and it is entirely in the discretion of you gentlemen as to whether you want list 'A' as it is or take something out of list 'A' and substitute something from list 'B', but that is in your discretion. The only thing we ask for is that your total not exceed the 200 million dollars. You can even, if you gentlemen of the Congress think it is wise, authorize something that is not on either list 'A' or list 'B'. That is solely a matter of Congressional discretion, but don't go beyond 200 million dollars."

Q Thank you, Mr. President.

Q I wonder if you would give us a brief resume on what you "intook".

THE PRESIDENT: Gosh, it is awfully hard to do it off the record.

Q Do it on the record.

THE PRESIDENT: Or on the record. Well, I "intook" the general situation west of the Mississippi because I did not get much of a chance to see things east of the Mississippi. First of all, the crop situation is infinitely better than at any time in the last four years; even, on the whole, better than 1935 which was not a serious drought year. A great deal better

than 1934 and 1936.

Q You could have got that from the Department of Agriculture here.

THE PRESIDENT: Yes, I could, but I always like to check figures and statistics.

Q You have to see them?

THE PRESIDENT: Yes, that is right.

Number two, I think there is a better understanding of what it is all about than there has been at any time in the past.

Q On the part of whom?

THE PRESIDENT: On the part of the voters, on the part of the population.

Q You don't mean the same one they had in November, do you?

THE PRESIDENT: Let me give you an illustration: I mentioned several times, for instance, that PWA and WPA projects have got to be curtailed. There would have been an awful holler a year or two years ago or three years ago if I had said that. Today there is a general understanding of that fact.

Q When you say, "What it is all about," you mean what the Administration is doing?

THE PRESIDENT: Yes.

Q Don't you think that links with number one intook -- better crops?

THE PRESIDENT: No, I do not think it is a question of better crops.

Q Do you think they have the understanding --

THE PRESIDENT: Perhaps better crops help them to better understanding, but there is an understanding that it is not a mere hand-out program, it is an economic program which shifts with the economic condition of the country. It is an understanding that we are not going to keep people on relief when we do not need to.

MRS. ROOSEVELT: If the crops had not been better they would not probably have had to understand it because the action taken would have been different.

THE PRESIDENT: That is perfectly true too. And then there is also general acceptance on that same crop end of the fact that we have got to have some kind of a surplus control. The overwhelming majority of farmers are for it.

Q Did you mean it literally when you said that "Jim Murray and I have reached the conclusion that the building of schools and stadiums should be dispensed with," and that you should turn to reclamation projects, dams, et cetera?

(AP 8-8-35)

THE PRESIDENT: Not hard and fast. You might get a place where there are a thousand unemployed and nowhere to put them to work except on a municipal improvement.

Q Here is an impossible question which my editors keep asking me: You are going to put many new millions of

acres into cultivation and, at the same time, we are curtailing crops elsewhere?

THE PRESIDENT: Certainly.

Q There seems to be a conflict there?

THE PRESIDENT: Why?

Q Isn't there a conflict when you put more acres into cultivation at the same time you are trying to reduce acreage elsewhere?

THE PRESIDENT: Not at all.

Q Why?

THE PRESIDENT: Because the reduction of acreage takes place, in almost every case, on poor land.

Q Well, the new acreage will grow more than the old ones did, and they grew too much?

THE PRESIDENT: No, they won't grow more than the old ones did. That is exactly the point.

Q No?

THE PRESIDENT: Do you remember that drive from Glasgow down to Fort Peck. That is almost all upland. None of that land ought to be cultivated; none of it at all. Well, what are you going to do with the families on it, throw them into the cities and put them on relief? We have got to move them somewhere. Where? Suppose you put them down in the Boise Valley. That upland farmer was farming 300 acres of wheat and he had

not made a good crop for the last seven or eight years. Take him down and put him on 40 acres in the Boise Valley. He does not grow wheat, he grows small stuff, garden crops like onions of which there is a very little surplus at the present time. You have transferred him from a crop which has a large surplus into another crop which has virtually no surplus.

Q Mr. President, we heard constantly as we went through the West that there wasn't any interest any more in agricultural legislation, especially anything that carried crop curtailment because they had good crops and good prices for the moment. Did you sense that feeling or have you had reports --

THE PRESIDENT: There is always, when you get a pretty good price and a good crop yield, a slackening of interest. Of course most of them realize and remember what has happened in the past and there is very little, not nearly as much as one would expect, of the lack of interest that would normally come because they remember what did happen and they say to themselves, "If we do not do something about it at the present time, it will happen again." They are much better educated than they have been.

Q So you feel it won't be difficult to put through this farm legislation when Congress returns?

THE PRESIDENT: No. And of course the other side of it is that if it does not go through they are bound to have an awful smash in crop prices and then they will be the first to come and demand what we are trying to do for them this year.

Q Not changing the subject, but did you intake anything on the Supreme Court issue?

THE PRESIDENT: Apparently no real interest in the method but a great deal of interest in the objectives. In other words, the average man throughout the West and all through the East says, "Quicker, cheaper justice, extremely advisable and very necessary. We have all had our experiences. We do not know much about details. Maybe the President is right, maybe the President is wrong, but what we are after is the objective."

Q May we add something about the judiciary to that legislative program?

THE PRESIDENT: You are a little premature. I don't know. I would not put it in now because it will be too much of a guess. I don't know.

Q How about the anti-lynching bill. It is my recollection that the Senators --

Q We had a discussion about that. Does that have to come up at the Special Session, if there is one?

THE PRESIDENT: It has to come up under the Senate rule that they vote on it immediately after the passage of the crop bill. It has passed the House already.

Q What is there that you can do to reach the objective other than what you did do?

THE PRESIDENT: That is what I am going to talk about when I get back to Washington.

Q What are you going to talk about when you get back to Washington?

THE PRESIDENT: For instance, the question of additional District judges. That is one method. I don't know. I think the Circuit Court judges recommended twelve. I think the Department of Justice recommended twenty-four. Well, we obviously need to do something about it. Whether it is twelve or twenty-four is not the important thing.

Q Should we consider the Supreme Court out of it, Mr. President?

THE PRESIDENT: No, not necessarily but, on the other hand, I would not say that you can consider it in.

Q Returning to that speech of yesterday, in view of its extreme importance, I think it would be very valuable if you would answer a few questions or else talk for background.

THE PRESIDENT: I think on that I can only talk really

completely off the record. I don't want to say anything for background.

Q I had two major things in mind. One was what you had in mind with reference to quarantining -- what type of measure. Secondly, how would you reconcile the policy you outlined yesterday with the policy of neutrality laid down by the Act of Congress?

THE PRESIDENT: Read the last line I had in the speech. That gives it about as well as anything else. (Looking through New York Herald Tribune of October 6.)

Q I don't believe that paper carried it. (Laughter)

THE PRESIDENT: Here it is: "Therefore America actively engages in the search for peace."

Q But you also said that the peace-loving nations can and must find a way to make their wills prevail.

THE PRESIDENT: Yes?

Q And you were speaking, as I interpreted it, you were speaking of something more than moral indignation. That is preparing the way for collaborative --

THE PRESIDENT: Yes?

Q Is anything contemplated? Have you moved?

THE PRESIDENT: No; just the speech itself.

Q Yes, but how do you reconcile that? Do you accept the fact that that is a repudiation of the neutrality --

THE PRESIDENT: Not for a minute. It may be an expansion.

Q Is that for use?

THE PRESIDENT: All off the record.

Q Doesn't that mean economic sanctions anyway?

THE PRESIDENT: No, not necessarily. Look, "sanctions" is a terrible word to use. They are out of the window.

Q Right. Let's not call it that. Let's call it concert of action on the part of peace-loving nations. Is that going to be brought into play?

THE PRESIDENT: I don't know that I can give you spot news because the lead is in the last line, "America actively engages in the search for peace." I can't tell you what the methods will be. We are looking for some way to peace and by no means is it necessary that that way be contrary to the exercise of neutrality.

Q Is there a likelihood that there will be a conference of the peace-loving nations?

THE PRESIDENT: No; conferences are out of the window. You never get anywhere with a conference.

Q Foreign papers put it as an attitude without a program.

THE PRESIDENT: That was the London Times.

Q Would you say that that is not quite it, that you are looking toward a program as well as having an attitude?

THE PRESIDENT: It is an attitude and it does not outline a program but it says we are looking for a program.

Q It is a receptive attitude toward a program?

THE PRESIDENT: Then, another thing which is off the record entirely. We will get one or two stories from London which say, "Why doesn't the United States suggest something?" Why should we suggest something? Can't somebody else make a suggestion? We have done an awful lot of suggesting. Every time we enter into some kind of an effort to settle something with our British friends, when we make the suggestion they get 90% and we get 10%. When they make the suggestion it comes out nearer 50-50. Why should we be doing the suggesting?

Q Wouldn't it be almost inevitable, if any program is reached, that our present Neutrality Act will have to be overhauled?

THE PRESIDENT: Not necessarily. That is the interesting thing.

Q That is very interesting.

Q You say there isn't any conflict between what you outline and the Neutrality Act. They seem to be on opposite poles to me and your assertion does not enlighten me.

THE PRESIDENT: Put your thinking-cap on, Ernest. (Lindley)

Q I have been for some years. They seem to be at opposite poles. How can you be neutral if you are going to

align yourself with one group of nations?

THE PRESIDENT: What do you mean, "aligning?" You mean a treaty?

Q Not necessarily. I meant action on the part of peace-loving nations.

THE PRESIDENT: There are a lot of methods in the world that have never been tried yet.

Q But, at any rate, that is not an indication of neutral attitude -- "quarantine the aggressors" and "other nations of the world."

THE PRESIDENT: I can't give you any clue to it. You will have to invent one. I have got one.

Q Did you notice that Senator Borah praised the speech?

Q What is a quarantine?

MRS. ROOSEVELT: I have great sympathy with you, Ernest (Lindley).

Q This is no longer neutrality.

THE PRESIDENT: On the contrary, it might be a stronger neutrality.

Q I mean as related to -- (interrupted)

Q This is all off the record?

THE PRESIDENT: Yes, this is all off the record.

Q I wanted to ask something else about the Supreme Court thing. Did you notice any difference in the attitude of the people toward your Supreme Court policy and

the attitude that was manifested by the representatives in Congress last Session?

THE PRESIDENT: Depends on which one you mean. There were 435 different attitudes in the House and 96 in the Senate.

Q Well, they only voted once.

THE PRESIDENT: That was a catch vote, as you know.

Q I think they were pretty well lined up.

THE PRESIDENT: Ernest -- if you will read, all of you, the editorials in the other papers, you will see exactly what Ernest was bringing out, that there are no two of them that agree. Absolutely no two of them. Most of them cannot visualize the thing at all and of course, when you come to the old man of the seas -- old man Hearst -- he sent out his editorial to all the papers and it is the silliest thing ever written. Did you see it in the Times Union this morning? It is perfectly terrible -- awful. Says it means this is getting us into war and a lot of that.

Q Do you agree or disagree with what apparently amounts to the conclusion of the British, that sanctions mean war?

THE PRESIDENT: No. Don't talk about sanctions. Never suggested it. As I said to Jimmie, don't get off on the sanction route.

Q I meant that in general terms; going further than moral denunciation.

THE PRESIDENT: That is not a definition of "sanctions."

Q Is a "quarantine" a sanction?

THE PRESIDENT: No.

Q Are you excluding any coercive action? Sanctions is coercive.

THE PRESIDENT: That is exactly the difference.

Q Better, then, to keep it in a moral sphere?

THE PRESIDENT: No, it can be a very practical sphere.

MR. O'BRIEN: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #401
Executive Offices of the White House
October 8, 1937, 10.38 AM

THE PRESIDENT: I hope that you will all, all of you who were not on the trip, ask everybody what a good time they had on the trip -- those who went -- and, especially, ask about their night at Lake Crescent. They had a very, very wonderful night at Lake Crescent, one of the best they have ever spent on any trip.

Q May we begin by asking you about the trip?

THE PRESIDENT: I had a very good time.

Q Tell us some of the things you took in on this trip.

THE PRESIDENT: I took in a lot. It was a big intake.

Literally, I haven't got a single bit of news this morning because, as you know, we had a conference Wednesday morning and I have been at Hyde Park ever since and I have not seen the Secretary of State nor anybody as yet. If you ask any questions about foreign things, I will tell you I don't know.

Q You are going to see the Secretary of State?

THE PRESIDENT: He is coming in at eleven o'clock.

Q Will you comment on the business situation?

THE PRESIDENT: No.

Q Have you decided about naming the Housing Administrator? Will he be named pretty soon?

THE PRESIDENT: Not yet, but soon.

Q Considerable speculation has been aroused, both at home and abroad, over the use of "concerted effort" and "quarantine" in your Chicago speech.

THE PRESIDENT: So I understand.

Q I wonder if you could tell us whether you have any plans toward implementing the suggestions carried out in your Chicago speech.

THE PRESIDENT: No, I cannot say anything further than what I said Wednesday morning because I haven't talked to anybody since then.

Q What about an extra session?

THE PRESIDENT: Same thing as Wednesday morning.

Q Is Norman Davis coming over?

THE PRESIDENT: He is, and the Under Secretary is coming.

Q Any progress being made on selecting sites for air bases under the Wilcox Bill?

THE PRESIDENT: I don't know. You mean last year's bill?

Q Two years ago, for a series of coast air bases.

THE PRESIDENT: They are about to get one at Tacoma and that is about the only one I heard of on the trip.

Q They authorized three?

THE PRESIDENT: I haven't the faintest idea.

Q Will you take up the international situation with your Cabinet this afternoon?

THE PRESIDENT: I don't know.

Q Do you plan to hold any meeting or conference with Mr. Justice Black?

THE PRESIDENT: No. I am only going to be here five days.

Q Can you comment on the reports from Paris that Mr. Blum plans to pay a visit to you?

THE PRESIDENT: That was in the newspaper.

Q Is it too early to say how long you will remain up at Hyde Park?

THE PRESIDENT: About six or seven days -- about a week. I have got to speak in Poughkeepsie on Wednesday morning, which is the 250th Anniversary of the town and the 150th Anniversary of the Constitution and the laying of the cornerstone of the new Post Office.

Q Aren't you scheduled to make a speech here on some building dedication?

THE PRESIDENT: I have to be back here for that on the 20th. That is the Federal Reserve Building, another cornerstone.

Q Have you any comment on the announcement that President Ortiz of Argentina might visit you?

THE PRESIDENT: Only that if he comes up he will be very, very welcome. I have not heard anything personally except what I read.

Q Will you make a Constitution speech at Poughkeepsie?

THE PRESIDENT: Yes, I am going to refer to my great-great-grandfather who was a member of the Constitutional Convention which met in Poughkeepsie and which ratified the Constitution.

Q You mentioned him before. What was his name?

THE PRESIDENT: Isaac.

Q Mr. President, do you favor the use of compulsory marketing quotas in connection with the crop control program?

THE PRESIDENT: Will you repeat that?

Q Do you favor the use of compulsory marketing quotas in connection with the crop control program?

THE PRESIDENT: I don't know; I have not read it over.

Q The old one was strictly voluntary and the Bankhead and Smith bills have compulsory features.

THE PRESIDENT: There are too many constitutional issues involved in the question for snap judgment.

Q In the event the nine-power signatories should suggest Washington as the site of the nine-power conference, would that be welcomed?

THE PRESIDENT: In the first place, it is an "if" question and, in the second place, as I said before, I cannot say anything about the foreign situation at the present time, not having talked to the Secretary of State.

Q Anything about an extra session?

THE PRESIDENT: The same story as on Wednesday.

Q Are you going to hold conferences regarding the special session? I understood you were going to have various people in.

THE PRESIDENT: I will talk to people. There won't be any conference on it.

Q Will the decision be made before you go to Hyde Park?

THE PRESIDENT: I don't know.

Q There have been many stories in recent days concerning the possibility of higher taxes for next year.

THE PRESIDENT: I haven't any news on it.

Q Has the Treasury Department submitted its plans for new taxes?

THE PRESIDENT: No.

Q You said in one of your messages it would be in October.

THE PRESIDENT: I imagine it will be.

Q Mr. President, will you take up revision of the Neutrality Act in the special session or in the regular session?

THE PRESIDENT: I cannot comment at all. It is the same old story. I haven't got anything to add to what I said on Wednesday morning because I have no further information.

Q Mr. President, returning to Poughkeepsie, in what capacity was this great-great-grandfather at that Convention? What was he, a delegate?

THE PRESIDENT: He was a delegate, yes.

Q Mr. President, do you expect to have a revised budget for this year soon? Will one be issued shortly?

THE PRESIDENT: I don't know.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #402
Executive Offices of the White House
October 12, 1937, 4.00 PM

THE PRESIDENT: We are all very sorry to hear the news today of the death of Ted Marriner out in Beirut. A great many people here knew him. He was a career diplomat and was doing an awfully good job. It was one of those things that cannot be helped.

Q Is there any news on it that is not in the papers?

THE PRESIDENT: No. Apparently it was just an individual with a screw loose.

I think the only news I have got is the signing of a proclamation today, (reading) "Whereas, public interest requires that the Congress of the United States should be convened in extra session at twelve o'clock noon on the fifteenth day of November," et cetera, et cetera. (Laughter)

Q Is that all? (Laughter)

THE PRESIDENT: Yes. You can get the whole thing, if you want. It is about three times as long as that.

Q Is that a Monday, Monday the 15th?

THE PRESIDENT: Yes. I haven't got any other news because I am awfully busy writing what I am going to say tonight

that I haven't even got time to provide any news.

Q Mr.President, what is the purpose of this special session?

THE PRESIDENT: Wait until you get the release. It has just started on the mimeograph.

Q The release of the proclamation or the release of your speech?

THE PRESIDENT: You can start it out on the streets at 9:30 tonight.

Q The speech will outline -- (interrupted)

Q Was that for the speech or something in connection with the proclamation?

THE PRESIDENT: You can use this right away, the fact that there is to be a special session of Congress. The speech is just being put on the mimeograph.

Q That will outline the proposed --

THE PRESIDENT: Pretty well.

MR. YOUNG: Thank you, Mr. President.

Q Do you expect to appoint a Housing Administrator soon -- an Administrator of Housing or a Housing Administrator?

THE PRESIDENT: Very soon. Probably from Hyde Park.

Q Mr. President, can you comment on the text of Mr. Espil's talk with you when he delivered a message from the Argentine Government on Saturday?

THE PRESIDENT: I was very glad to have it, that is all.

Q Mr. President, will you say whether Farley and Wagner are representing the Administration's view in supporting Mahoney in New York?

THE PRESIDENT: Get Steve (Early) to give you the usual hand-out with respect to all local elections.

Q Mr. President, is the Administration taking any part in the race in Arkansas?

THE PRESIDENT: Same thing. Get Steve to mimeograph some copies. (Laughter)

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #403
Hyde Park, New York
October 15, 1937, 12 Noon

THE PRESIDENT: Literally there isn't any news at all. Joe Kennedy is coming up for lunch on Shipping Board matters. I don't know of anybody else. Oh, Emil Ludwig has come back but I don't know when I will see him.

Q I am instructed to ask you if you would care to identify the prominent economist mentioned in the fireside talk.

THE PRESIDENT: You will have to look it up. It is quote stuff. You will have to look it up. He is prominent.

Q Mac (Mr. McIntyre) said it was probably him.

THE PRESIDENT: No, it is a real, honest-to-God professional economist. Mac is an economist but not a professional economist.

MR. McINTYRE: I wish, Bob (Mr. Post), you would show the President this other query. Off the record, I would like him to read it. I think it is a pip.

Q (Mr. Post) No.

Q (Mr. Trohan) It looks like a good story to me.

MR. McINTYRE: It looks as if they decided they wanted a rough draft of your message to Congress. This isn't anything but one of those modest demands you get from the desk once in a while.

THE PRESIDENT: This is a Sunday piece. (Reading) This is grand. This is what is called a psychological story to find out whether the slump in the market bothers me. You can tell him that he will learn nearly all about this in my message to Congress in November and again in January. If he wants a psychological story he should hire Mark Sullivan and then Mark can tell him all about it from the way I raise my voice of whether the tone of my voice denotes internal anger or not. I think Mark has been a scream lately as an expert on facial expression and tone of voice.

Q In connection with the market slump, have you read Winthrop Aldrich's speech?

THE PRESIDENT: I haven't yet.

Q It is not long. He attributes the break largely to unwise and inconsistent legislation. Do you care to say anything about it?

THE PRESIDENT: Not on the record, but I will tell you an off-the-record story.

Q (Mr. Trohan) It will be in the New York Post tonight.

THE PRESIDENT: It will not.

MR. McINTYRE: You are perfectly safe here.

THE PRESIDENT: If I am perfectly safe, then all right. On

the trip out West, about half-way across, I got a three-page telegram from -- I don't know that I should not tell you his name -- it was from Clarence Woolley, head of the American Radiator Company. He was upset about the stock market. In his judgment there was one thing to do immediately, and that was to reduce margin requirements. He went on for two pages about that and then he ended up something like this: He said, "As you know, I am not speaking for the big speculators, I am not even speaking for the medium-sized speculators, I am not speaking for any speculators. I am talking about the little man, the small investors, the people who are scattered all over the country, little bits of investors, the people that you are most interested in, the kind of people who are carrying little brokerage accounts from ten to twenty thousand dollars."

Q The paupers. (Laughter)

THE PRESIDENT: Which I thought was perfect.

Q Those on relief.

THE PRESIDENT: I think it is one of the best psychological stories I know, the attitude of those fellows who are thinking in certain terms -- ten to twenty thousand dollars, poor little fellow.

Q Aldrich wants lower margin requirements too, among a lot of other things.

THE PRESIDENT: And no regulation of security markets?

Q Without interference in trade.

MR. McINTYRE: Let nature take its course.

Q That is exactly what it boils down to. He wants economic forces to have free play.

Q Anything on the foreign situation?

THE PRESIDENT: Not a word.

Q May we presume, in view of the representations made by Norman Davis in Geneva in 1929, that there are disturbances abroad?

THE PRESIDENT: 1929 or 1919? (Laughter)

Q I have forgotten just when; my memory isn't so good.

Q Is it a fair inference from your fireside chat the other night, that mediation would be the first step of the Conference toward settlement of the Far Eastern situation?

THE PRESIDENT: I said that, in so many words.

Q I think you did. What would follow after that?

THE PRESIDENT: Now you are getting into the "if" field.

Q What is the machinery of appointing delegates or a delegate?

THE PRESIDENT: We have not been asked yet.

Q I thought we had accepted.

THE PRESIDENT: We have not been asked yet.

Q I am confused then; I thought we had.

THE PRESIDENT: We had not up until last night; I have not heard this morning.

Q Will Mr. Davis represent us?

THE PRESIDENT: As I say, we have not been asked yet. The girl does not accept until she has been asked. Some do, but we don't. (Laughter) Mac, you ought to read them that story that Joe Davies wrote to you.

MR. McINTYRE: I shall.

Q Did he volunteer? He didn't volunteer, did he?

THE PRESIDENT: It is a story about a priest and a virgin.

Q I wanted to ask, in the event of wounding of Americans, is that going to mean any change?

THE PRESIDENT: You had better ask the State Department; I haven't any information on it at all.

Q How about the Vatican's position?

THE PRESIDENT: Has that been substantiated?

Q I only know what I saw in the papers.

THE PRESIDENT: "I only know what I see in the papers." From you, George (Durno), that is a peach.

Q It was virtually substantiated this morning. It is not the kind of story that would be written cold.

Q Our story (A.P.) quoted an "official source".

THE PRESIDENT: The story said, "From unofficial sources it was learned."

Q Mr. President, are you planning to make any recommendations in regard to modification of neutrality legislation?

THE PRESIDENT: I cannot discuss it at all. That is too "iffy". Of course, I recognize the difficulty of trying to write guesswork stories about foreign affairs in the future. I cannot write guesswork stories for you, therefore whatever is written in any newspaper about what the United States is going to do in the future is absolute, sheer, utter guesswork.

Q We know that, Mr. President. Are there going to be any conferences next Wednesday, when you get back, with legislative leaders? Can't we get some news out of that?

THE PRESIDENT: I don't know. I don't know where they are.

Q We have all been writing the same story for four days. I want to get a little germ of truth in it.

THE PRESIDENT: I suggested right along that you write a real story, one about three paragraphs, that there is no news at Hyde Park. Now, that is news.

Q We would get call backs.

THE PRESIDENT: How can you write any story today? I don't

know. I don't see how you can do it. I simply haven't got any news.

Q We certainly cannot write an affirmative one.

THE PRESIDENT: You can say I have no news but I have been in touch with various departments in Washington, as I am every day. I have been signing a whole lot of mail and studying a lot of papers.

Q Can we put that in quotes?

THE PRESIDENT: No, and, so far as I know, I won't have any news while I am here. Joe Kennedy is going to come by and talk about routine matters. Ludwig is engaged in writing a book. I don't know what he is coming for, but you may be able to interview him.

Q How about Mr. Mahon's call?

THE PRESIDENT: I cannot give you a story on that. I can talk to you off the record. Some of you may know Jim Mahon in Washington in the older days. He was a Congressman, was he not?

MR. McINTYRE: I remember the name.

THE PRESIDENT: I think he was Congressman from the Brooklyn Navy Yard District in the old days. He is an awfully nice fellow. He was at one time President of some union. Now his wife has died and he is footloose. He had to use

all of his money to pay the doctor's bill. He wants a job as Under-Secretary or Assistant Secretary of Labor. It is one of those pathetic things. It is a question of getting him some kind of a job.

MR. McINTYRE: He was a good man at labor.

THE PRESIDENT: He is too old to do any work.

Q Mr. President, has the internal row of the Coal Commission been called to your attention?

THE PRESIDENT: No.

Q There have been a number of reports saying that there is a lot of trouble over patronage and personnel matters and members have threatened to quit unless straightened out. It is said that they are going to refer it to you.

THE PRESIDENT: The only thing to do is to lock them in a room until they iron it out or they don't get any lunch.

Q Have you any plans for fishing off Mobile?

THE PRESIDENT: The only plan I have is to try to go down to Warm Springs for Thanksgiving.

Q Does that mean a long stay?

THE PRESIDENT: Maybe just overnight. I can't tell.

Q Live aboard the train?

THE PRESIDENT: We were talking last night over the dinner table and Mrs. Roosevelt suggested taking a little

camping trip and everybody living in tents for about a week.

Q We did that at Lake Crescent.

THE PRESIDENT: Mrs. Roosevelt said she would arrange the whole thing.

MR. McINTYRE: I think it would be swell. We would arrange to have heat in them.

THE PRESIDENT: It would only be a one-night stand. We would have all sorts of delicious foods, such as flapjacks and coffee and hot dogs.

Q (Mr. Trohan) I will take the Miami-Biltmore. That is my idea of slumming.

THE PRESIDENT: It would be up in the Adirondacks or something like that, and a good time will be right after election, around the 10th of November. It would snow most nights and be just around ten degrees below zero. It would be the finest preparation for that winter in Washington.

Q (Mr. Trohan) It sounds like you have been talking to the Colonel.

THE PRESIDENT: No, it was the Missis that thought this up. She thought it was a grand idea. She guarantees to go on the trip and make all the arrangements.

Q (Mr. Trohan) Mac and I say, "No".

THE PRESIDENT: How about it, Tommy (Quarlters)? Don't you think it is a good idea?

MR. QUARLTERS: I think it is a good idea.

Q Bring the Missis along with you, too, Tommy. (Laughter)

THE PRESIDENT: My Missis was serious about it.

Q (Mr. Trohan) So am I.

Q (Mr. Durno) I think this Mobile fishing trip is a better idea.

Q (Mr. Trohan) Miami-Biltmore. I like Carl Byoir.

THE PRESIDENT: We haven't had a hunting trip in the woods yet. We ought to do it.

Q Take that Timberline Lodge on Mt. Hood. I will go for that. That is the way I like to hunt.

THE PRESIDENT: But this calls for no investment on the part of the Government. We will borrow the tents from the Army. We will have an Army truck to carry them and we can teach you the first night how to set up the tents and then how to strike them in the morning. It starts the blood going in the morning when you strike a tent. Of course, this all depends on Bob Allen going.

Q If you get him to go along, everybody will go to see the event.

Q Then we will have to have rifles on this trip in order to shoot.

THE PRESIDENT: Shoot?

Q Deer.

THE PRESIDENT: Oh, deer. I was wondering who.

I wish I did have some news, but there really isn't anything. I am having a good time doing a lot of spade work.

MR. TROHAN: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #404
Hyde Park, New York

October 19, 1937, 11.30 A.M.

(Off-the-record discussion about activities in Poughkeepsie.)

THE PRESIDENT: I don't know whether I make the appointment or Secretary Ickes appoints him but anyway you can announce that Howard A. Gray, of Illinois, is going to be appointed Assistant Administrator of the Federal Emergency Administration of Public Works to succeed Colonel Horatio B. Hackett.

Q He is Ickes' Assistant?

THE PRESIDENT: Yes. He succeeds Hackett.

Q That makes everybody happy. (Laughter)

THE PRESIDENT: Well, that does it. I don't think there is anything else.

Q We have been taking a little bit of a shellacking on this trip.

THE PRESIDENT: Why?

Q We were wondering if something couldn't be worked out so we could get some features on what is going on down in Wall Street.

Q We went on the limb on Norman Davis on that appointment. It was announced at ten-thirty in Washington and we did not hear about it.

THE PRESIDENT: I thought I told you that anything on that would come from Washington.

Q You said, when we last talked to you, that no invitation had been received.

THE PRESIDENT: You see, we did not have any invitation up to that time.

Q Another one is Davis' visit up here. We had a flat statement that Ambassador Davis was coming up to Hyde Park and we did not get any confirmation until 24 hours later.

THE PRESIDENT: When that statement was made that he was coming to Hyde Park, I did not know it. (Laughter) Mac, what time was it he called up yesterday?

MR. McINTYRE: Late yesterday afternoon.

THE PRESIDENT: It was half past six or seven o'clock last night. He said he had decided to sail on Wednesday and therefore could I see him before he sailed and he was not going to New York until this morning.

MR. McIntyre: That is for information, of course.

Q Has he arrived here yet, Mr. President?

THE PRESIDENT: He is coming here at four o'clock.

Q Did you see Ambassador Dodd this morning?

THE PRESIDENT: Yes. He is staying for lunch.

Q Anything you can tell us about that visit?

THE PRESIDENT: He is sailing on the same boat.

Q I think we would all very much like to see Mr. Davis after you see him, if it can possibly be arranged.

THE PRESIDENT: I don't think he will have any news for you, but I will ask him.

Q We would all feel better.

Q Your old friend Hiram Johnson has delivered quite a statement. He said that America is on the road to war and he wants you to tell the people what you will do and what you will not do and wants to know what you mean by "quarantine." He said the people should know when you approach war, that we know the attitude of Secretary Hull and of Ambassador Davis and we know he would not be going to Brussels unless there was an advance agreement between England and the United States as to who is going to furnish the men and money for war. Also, suppose the President assumes leadership of the League of Nations and it decides on sanctions against Japan, whose Navy will enforce it. Those are the highlights.

THE PRESIDENT: I would like to make a very simple comment but I won't, on the record.

Q Is there anything you can say?

THE PRESIDENT: Do you remember -- no, not on the record -- this is off the record -- Bob Challoner (?) used to be sheriff of Dutchess County and he had a brother by the

[HcB 8-24-65]

Chanler

name of Armstrong who had been declared insane in the State of New York. Armstrong moved to Virginia and lived there. Bob, up here, divorced his wife and married Lina Cavalieri whereupon Armstrong ~~Challoner~~ Chanler of Virginia sent him the famous telegram, "Who is loony now?"

[A-B 2-24-65]

Of course the other comment, which will also have to be off the record, George (Durno), was that I had thought that Hiram and Hearst were no longer good friends but, evidently, I was mistaken.

Q (Mr. Durno) That is not a fallacy.

THE PRESIDENT: That is not subtle; that is just brutal.

Q He has been reading the editorials.

Q Mr. President, the stock market has fallen off very heavily in the first hour of trading. There were two and a half million shares traded in the first hour. They dropped 1 to 10 points, roughly. Is there any thought of you exercising your authority to close the Exchange?

THE PRESIDENT: No. I can only tell you that for background.

You cannot use it coming from me and, outside of that, there isn't anything I can say at this time.

Q Except the fact that you are not considering?

THE PRESIDENT: Only, as I say, not coming from me.

Q You could not comment, Mr. President, on the subject of

whether the value of the figures on the ticker represent the real value of American securities?

THE PRESIDENT: I could get a large sum of money if I went into the business of giving advice on the stock market.

Q Mr. President, there seems to have been dispatches from Washington indicating that you had a completely open mind and that you would be perfectly willing to see some change in the capital gains tax and corporate surplus tax, provided they brought in as much revenue as now. Can you talk on that?

THE PRESIDENT: No.

Q You said several times -- I remember one Press Conference in particular when you told the story about a little town in New York State of about 1,000 population where 99 people played the market and 98 lost their shirts, some figures like that. It gave us a strong intimation that you felt that people should not speculate in the market and that you thought that stock prices were inflated at that time. That was on a rising market.

THE PRESIDENT: That is right.

Q Would you like to follow up that Press Conference?

THE PRESIDENT: No.

Q In view of the revised budget estimate, do you see any need for higher taxes?

THE PRESIDENT: John (O'Brien), we have not made up the 1939 budget and have not even forecast figures on it.

Q I mean in the light of the revised deficit?

THE PRESIDENT: I cannot repeat anything more than I said several times before about the 1939 budget.

Q That it will be definitely in balance?

THE PRESIDENT: Yes; hope and expect.

Q Without increased taxes?

THE PRESIDENT: I think so.

Q That does not stand up very well against the revised figures. It is another 200 million dollars off.

THE PRESIDENT: From April 1, yes, but what was the reason? Look at the reason. After all, there are two branches of government, to appropriate and spend the money. It would have been inside of the April estimates if it had not been for those appropriations that were not recommended. That is the thing that one should mention, in fairness.

Q I wondered.

Q In that connection, I noticed in this revised budget statement that one of the appropriations was 113 million dollars for railroad retirement. What proportion of that, roughly, is out of the Federal pocket? I thought we merely administered that fund and the

fund itself was raised by employees' and employers' contributions.

THE PRESIDENT: Harold (Oliver), I think you will have to check up on it but my impression is -- this is off the record -- my impression is that the first Railroad Retirement Act was held and declared unconstitutional but there were certain moral obligations we incurred under it and in the process of passing the new Act the compromise was that the Federal Government would put up this 113 million dollars, or whatever it was, until the new system got going. I think that was it.

Q That was the money the railroads were to have paid in and did not?

THE PRESIDENT: Yes.

Q That was reimbursable?

THE PRESIDENT: No.

Q Not reimbursable?

THE PRESIDENT: No. In other words, we would not have been in the hole if the thing had not been knocked out but, having been knocked out, there was this lack and we did not try to get back the 113 million dollars. But it does not occur again. From now on it is self-sustaining. I think that is it.

Q Any possibility of your commenting on the stock market situation in your Federal Reserve message tomorrow?

THE PRESIDENT: Not that I know of.

Q The other reason in the budget for the increased deficit is the falling off of revenues. Of course this stock market collapse here will bring about potential --

THE PRESIDENT: I don't know. I am not enough of an expert to forecast the 1938 or 1939 figures. The percentage of difference between the April estimates and the October estimates on the actual revenue receipts is, of course, a very very small percentage, an amazingly small percentage compared with Treasury estimates of receipts prior to 1933.

Q Is there any basis for the persistent rumor that emanates from Wall Street that you are contemplating a large re-armament program?

THE PRESIDENT: It is brand new to me. You might say it is typical.

Q How about that rumor about the ptomaine poisoning?

Q Within ten minutes three services got that rumor out of Washington and New York.

THE PRESIDENT: I don't think I have had a digestive upset now in about three months.

MR. McINTYRE: Not even hot dogs bother you.

THE PRESIDENT: No, not even hot dogs bother me.

Q Can you tell us anything about the talk you are going to have with Mr. Davis. Anything that would carry us a step forward in our stories?

THE PRESIDENT: No. It cannot be and won't be anything helpful toward writing what American foreign policy will be on the first of each month for the next year.

Q If you put in there, "until the war comes" we will have a story. (Laughter)

Q When are you coming back to Hyde Park, Mr. President?

THE PRESIDENT: Saturday afternoon. Coming through by day this time, for a change. I think it is a good change to make.

Q Will you stay until Election Day?

THE PRESIDENT: Yes.

Q And then you will be back in Washington?

THE PRESIDENT: Yes.

Q When is that, Election Day?

THE PRESIDENT: The second.

Q Anything on the Special Session?

THE PRESIDENT: Not a thing.

Q During the time you will spend in Hyde Park, do you expect to have Congressional leaders up here to talk plans?

THE PRESIDENT: I haven't the faintest idea. I have no plans for that ten days at all. Who was it had them all coming? Somebody had them all dated up.

Q Harry Oliver.

Q (Mr. Oliver) I denied that once.

Q (Mr. Harkness) Harry and I did not work during the intervening period in Washington.

THE PRESIDENT: How do you suppose they managed to slip that story in under an A.P. date line from here. It was in the New York Post.

Q It must have been under the Washington date line.

THE PRESIDENT: I called up Mac and said, "Tell Harold this is grand but, for God's sake, let me know when these boys are coming up and what hour so that I can be in."

Q (Mr. Trohan) I think that was the night I wrote your overnight. (Laughter)

THE PRESIDENT: I don't think there is any news at all. I will probably drive around a little this afternoon.

MR. TROHAN: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #405
Executive Offices of the White House

October 22, 1937, 10 o'clock A.M.

Q Mr. President, we would like to know a little more about this new setup you announced yesterday about James (Roosevelt)?

THE PRESIDENT: There isn't any news in it. It is a two-paragraph, fifth-page story and not a front-page story in its news value.

Q (From the rear of the room) We did not get that.

THE PRESIDENT: He wanted to know about the story on James. It is a two-paragraph, fifth-page story. Jim is not a coordinator. It is just a clearing house at the request of these people so they will be able to find things out and get information they need.

Q Have you any comment on the efforts that the State Department has initiated in the Nicaragua-Honduras situation?

THE PRESIDENT: No, except the usual hope that it will work out peaceably.

Q Have you one of those Nicaragua postage stamps in your collection?

THE PRESIDENT: I have, also a Honduras stamp. In fact, I have a block of four of each, unused, and I am very proud of it.

Q They are valuable?

THE PRESIDENT: Yes.

Q Do you consider it significant, in view of the Brazilian Conference, that the United States should set an example in peaceful settlement of Western Hemisphere disputes?

THE PRESIDENT: I don't see the relationship. (Laughter)

Q Anything new on the corn loan?

THE PRESIDENT: No. I am seeing Bell some time today and then I suppose I will see the Secretary of Agriculture and the Secretary of the Treasury some time before I leave tomorrow.

Q Are you hunting for revenue for the new farm bill?

THE PRESIDENT: That's what I'm going to talk about, exactly that.

Q Mr. President, in the light of the revised budget estimates for this year, can you predict a balanced budget for the 1939 fiscal year?

THE PRESIDENT: I can only repeat what I have said about two hundred times.

Q You still feel that way?

THE PRESIDENT: Yes.

Q Will there be an Executive Order setting up this new Housing Administration?

THE PRESIDENT: To do what?

Q Starting this new Housing Administration on this program?

THE PRESIDENT: I don't know. Does it take an Executive Order?

Q That is what some of them believe, that you have to give them an Executive Order saying how far they can go.

THE PRESIDENT: I never heard of it.

Q Have you had any official communications from the Duke and Duchess of Windsor about their visit?

THE PRESIDENT: No, official or unofficial.

Q Thank you, sir.

THE PRESIDENT: Society editors, please note.

Q Is construction for the District, Federal construction, to follow out a regular plan now that we are getting done with the existing one? Will there be a new plan for the District Federal building? I mean the War Department and those others?

THE PRESIDENT: I don't think so, in the sense that we will do much more than go ahead with certain recommendations in the last Session. It is a matter which probably ought to be studied for a period of another full year. You see, we have one or two buildings that we have already asked for. One is the continuation of the War Department building and the other is the Social Security building and we hope to get those during the

coming regular Session of Congress and, in the meantime, we will be studying needs beyond that but there isn't anything immediate.

Q You only have an authorization for the War Department, have you not, sir?

THE PRESIDENT: I think we put in a request -- I have forgotten the amount of the actual appropriation -- but did not get the money. The same way with the Naval Hospital.

Q Mr. Secretary -- I beg your pardon, Mr. President --

THE PRESIDENT: You can go back to the old days and say, "Mr. Secretary," if you want.

Q When we spoke of this once before I think you spoke of "long-time plans" and "short-time plans." That has not changed?

THE PRESIDENT: No. The short-time plan is to go ahead with the War Building, the Social Security and the Naval Hospital Buildings in the immediate coming Session. The long-time plan, of course, we will be studying for another year.

Q Did you hear or get a report of Governor Landon's speech?

THE PRESIDENT: That is a very embarrassing question because I told Steve (Early) off the record and I don't know whether he passed it on to you or not.

Q Nothing on the record?

THE PRESIDENT: No.

Q Mr. President, can you tell us what passed in your visit with the Polish Ambassador yesterday?

THE PRESIDENT: Just that he had been abroad and came back and came in to say, "How do you do."

Q Are you getting any reports from various departments or commissions of the Government on which you could base a business outlook statement for the Winter or next Spring? There is a lot of talk about a let-down or recession?

THE PRESIDENT: No, nothing more than the departments give out regularly.

Q Nothing special?

THE PRESIDENT: No.

Q Mr. Hopkins is having conferences with State Directors of Relief on the outlook for the Winter. Can you tell us anything on what your policy will be? Has he given you any reason to expect larger rolls?

THE PRESIDENT: I think those conferences are in connection with the budget that goes in in January.

Q Will there be a deficiency appropriation for the year 1937-1938 for relief and recovery?

THE PRESIDENT: No.

Q You have a billion and a half; that is enough?

THE PRESIDENT: Yes.

Q Have you reached any conclusions?

THE PRESIDENT: As far as we can tell now. You cannot make a definite deduction on what might happen in the Spring. As far as we can tell now, there won't be any additional.

Q Have you reached any conclusions with respect to revising the undivided profits or the capital gains taxes?

THE PRESIDENT: The whole tax thing is under study in the Treasury Department.

Q Anything on reviving the processing taxes?

THE PRESIDENT: That is the same question we had before.

Q Is that Treasury Department study of taxes preliminary to the regular Session of Congress in January? You expect, in other words, to lay some sort of program involving taxes before Congress?

THE PRESIDENT: It is preliminary to the regular Session but we are trying to get the preliminary in shape sufficiently early to go before the two committees which are meeting in November, but their meeting has nothing to do with the Special Session, as you understand. It is for the regular Session, but I think we will be prepared to go before them when they meet in November.

Q Has it been determined whether new taxes will be necessary next Spring?

THE PRESIDENT: No.

Q Mr. Kennedy has made a survey that disclosed the various types of vessels that the Maritime Bureau has authority to build. Do you think something should be done about that?

THE PRESIDENT: I don't know; I haven't heard about it.

Q Anything you can tell us about your Hyde Park trip, whom you might see?

THE PRESIDENT: No, but I will try to fill all those engagements you fellows made for me if you will tell us when they are calling. (Laughter)

Q When are you coming back?

THE PRESIDENT: Day after election; Wednesday, the third.

Q Will you leave that night or get back here that day?

THE PRESIDENT: I don't know; I will leave either Election night or come through by day.

Q How about Warm Springs?

THE PRESIDENT: I hope to get down there for that dinner. Whether I will stay for more than one night or not depends a little on the Session. It means leaving here the day before Thanksgiving, Wednesday afternoon, and getting there Thursday morning.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #406
Hyde Park, New York
October 26, 1937, 4.30 PM

Q Can you tell us about your talks with Chairman Douglas and Mr. Kennedy today?

THE PRESIDENT: Oh, routine stuff, that's all all of these talks are. Merely routine. I was away so long, you know. There was no specific subject. Matters that I have up for six weeks or a month. Other people have been drifting in. I had two come in today unexpectedly; one was Mr. Shields, and another was Jim Perkins. He is sitting in the Library now. I told him a month ago I wanted to see him and I forgot to mention it to anyone in Washington that if I came up this week I wanted to see him, so Mac was quite distressed. But here he is, and the first thing I knew Mr. Perkins was at the gate.

Q Who is Shields, Mr. President?

THE PRESIDENT: He is a banker in New York. I don't know what the name of his firm is.

Q He was in with Mr. Douglas, was he not?

THE PRESIDENT: He came separately and I saw him afterwards.

Q That was just a routine conversation?

THE PRESIDENT: Routine.

Q To get a summarized answer, may I put it this way, that you have seen two large publishers -- (interrupted by)

THE PRESIDENT: No, I will tell you why. If you will go back to my previous Fall appointments when I have been here, you will see that I have seen two, or six or eight or ten bankers; two or three dozen manufacturers, which I always do at this time of year, last year and the year before that. It is much easier to talk quietly here than in Washington, and half these appointments are six months old. It is a lot easier, especially for New Yorkers, to motor here than come down to Washington. You can't create a story about it as there isn't any news in it.

Q Of course, I haven't seen a Fall like it. (Harkness speaking, who had not covered last year)

THE PRESIDENT: Well, it is the same every year, and if you look back at my book, if Mac will get it out for you, and look over the list there, you will find the same story.

Q These were general conversations?

THE PRESIDENT: No, I see people I like to see. You remember two years ago out of Roy Howard's visit came "A Breathing Spell" letter.

Q Is there anything coming out of this one?

THE PRESIDENT: No, there is no publicity expected from it.

Q Will you identify Mr. Perkins for me?

THE PRESIDENT: He is a very, very old Harvard friend of mine, and is President of the Board of the National City Bank.

Q Yesterday, at his press conference, Mr. Morgenthau was asked about the prospects of a balanced budget in 1938 or 1939. He said he didn't see how anyone could tell at this time. My office quotes him as saying "I can't see how anyone can tell at this time." Do you care to comment?

THE PRESIDENT: That is perfectly correct, and at the same time everything I have said is correct; that I hope and expect to balance the budget. Those two things go absolutely together, strange as it may seem. You can't make anything inconsistent out of it if you try to.

Q (Mr. Trohan) I can do a job of it. (Laughter)

Q He was obviously referring to the exact estimates of income and out-go.

THE PRESIDENT: The Secretary of the Treasury can't say before the budget is made up that it will be in balance, so that he is absolutely correct in what he says, and I am equally correct in what I say, that I hope and

expect it will be in balance. It is only a discrepancy, if you want to make a news story out of it.

Q How about rumors that he (Morgenthau) is going to resign, that are popping over Wall Street?

THE PRESIDENT: Really, are you sure it is Wall Street?

Q I am not sure of anything.

THE PRESIDENT: Or was it a columnist?

Q No, this was a telegram; I showed it to Trohan.

THE PRESIDENT: Well, the two news values are about equal -- columnists and Wall Street. The rumors have just about equal news value, and there isn't any truth in it at all. As you know -- and this is off the record -- such a rumor that his resignation was on the carpet killed old Will Woodin off; the current rumors in the newspapers that he was about to resign, as well as the rumors that he was at outs with the Administration. However, it is one of the penalties.

Q Mr. President, there is a rumor around Washington, and I have also had a statement today, a flat statement, that Woll and Hillman had left there to come up and see you.

THE PRESIDENT: I have not heard of it at all. You see how difficult it is to put me in a position like this. If I say "yes", there is a story. If I say "no" there is

a story. Frankly, I never heard of it until you mentioned it this time.

Q I only heard that they had left Washington.

Q Have you, Mr. President, been following the C.I.O. and A. F. of L. meeting?

THE PRESIDENT: Only what I read in the Washington Times this morning.

Q Have you any news you would like to volunteer? We are under duress here.

THE PRESIDENT: There is no duress, I never get caught that way. Mac, is there anything at all?

Q Mr. President, in any of these conversations you have had, has the stock market been discussed?

THE PRESIDENT: Here's the difficulty to that question. As a matter of fact, in these conversations I suppose we run the whole gamut of public affairs, about twenty-five or fifty subjects are involved. If you left out, by the question method, one subject, you immediately give that value over and above its relationships to the other subjects. In the talks today, those yesterday, and almost every day, except in the case of specific people who come to talk about specific things, generally the conversation runs the whole range. If I were to tell you some of the

things we talked about you would be perfectly amazed. For instance, I talked to one of the people up here the other day about the subject of what power was going to come from in 1960. We talked for fifteen minutes about it; how long will the coal reserve last? The water power, of course, is a negligible factor, that would not double the power supply; how much coal is there, and is there enough water for coal mines to generate power? You can not make a story out of that kind of thing.

Q You mean you expect to have an interest in that in 1950?

THE PRESIDENT: 1960.

Q Mr. President, have you reached any decision about accepting the invitation we were told was extended yesterday?

(Reference to visit of Averill Harriman and others of National Business Advisory Council to Hyde Park the previous day.)

THE PRESIDENT: We haven't gotten the day fixed but it will probably be in December or January. It will be a meeting at the White House like last year's.

Q You said there would be a luncheon with these people?

THE PRESIDENT: That is what we are talking about. Last year we had a luncheon and will this year, but the date is not yet determined. But don't say that it will be a luncheon, because it might be a dinner.

Q To get back to Shields, you know the rumors in Wall Street are that he is being considered for the vacancy on the S.E.C.

THE PRESIDENT: Never even discussed, nor was it brought up. I don't think I have done anything about appointments since I have been here, have I, Mac?

MR. McINTYRE: No, sir.

THE PRESIDENT: Mac, did you tell them Basil O'Connor was here? O'Connor was up here talking about the National Infantile Paralysis Foundation -- it hasn't a name yet.

Q In that connection, Mr. President, have you any plans about Warm Springs beyond the one night?

THE PRESIDENT: No.

Q (Mr. Trohan) We have an invitation to go to the Manchester Kiwanis Club, and we would like to know.

THE PRESIDENT: Who will make the speech?

Q (Mr. Trohan) Russ (Young) won't be there.

THE PRESIDENT: No, no; Russ ought to make the speech, you need a Senator. Couldn't we make George a Congressman, so he could do it?

Q I don't know what I am going to do then.

Q I have a query, Mr. President, stating you were going to make public a group of names of Trustees of this new Foundation. Have you gotten around to that yet?

THE PRESIDENT: I haven't gotten it all filled yet. I suppose within two or three weeks I will, or the Trustees will, make it public. It is practically filled now, but I had better not give you the number because they might decide to ask two or three more in addition.

Q Have you any word from Mr. Bell or Mr. Morgenthau about surplus finances?

THE PRESIDENT: No. Morgenthau and Bell were coming here on Saturday morning, but we have discovered that our respective better-halves are going to some kind of a party at Vassar on Friday evening, so we would be so lonely that we decided that he and Bell would come up here Friday evening and we would go over the budget and things like that.

Q Have you any plans for Congressional leaders on the new session?

THE PRESIDENT: As soon as they get back.

Q As soon as you get back?

THE PRESIDENT: No, I will get back ahead of most of them. The will begin drifting in about the eighth of November, and then as they come in, of course I will be talking with them that week between the eighth and the fifteenth.

Q Not up here?

THE PRESIDENT: No, no; unless Harold arranged it.

Q Have you heard about Harry's experience last trip? (Mr. Trohan tells story about corpse being removed from room in Nelson House, and Harold Oliver seeing it.)

THE PRESIDENT: I will give you a story. I received the other day twelve flower pots from the Sequoia National Forest, and a lot of cones of various West Coast evergreen trees, and tomorrow I am having a ceremony and planting them. They are about eight inches high. I am going to plant them out by the tennis court to see whether they will grow. They are sugar pine, western cedar, sequoia, lodge pole pine, and some other kind of pine. And we are having a planting ceremony tomorrow and we are also taking the cones apart and trying them in the greenhouse. You remember in Yellowstone, those hillsides where there were those perfectly straight trees? They are lodge pole pines. They may not grow in this climate, for they came from a level where they have snow and ice, and we hope they will grow here.

Q Are you planting redwood?

THE PRESIDENT: Yes, I am expecting some seeds from the Olympic peninsula and I thought I would take them to the pond in the back woods and plant the redwoods around it and call it Lake Crescent.

I don't think anything is going to happen this week except Morgenthau and Bell. I think for the rest of the week, except for Friday evening, I am going to be almost free. It will be very dull, getting lots of sleep and driving around planting lots of trees.

Q Are you planning any kind of a talk here for the local elections?

THE PRESIDENT: No, it is a happy and rare interval when I have no speeches to make; in fact, only date I have is to press a button.

CONFIDENTIAL
Press Conference #407
Hyde Park, New York
October 29, 1937.

THE PRESIDENT: Well, the Youth people are going to be here this afternoon. Dr. Koht -- you know about it -- is coming; also the Norwegian Minister and Mrs. de Morgenstierne, and Mr. Summerlin. And after lunch I am going to motor over to the cottage to meet a delegation representing the National Youth Administration. I think they are the State Directors. You know about it. I'll shake hands with them. Secretary Morgenthau is arriving this evening and Under-Secretary Magill, and I guess that's all. What do I do in the morning?

MR. McINTYRE: That's for overnights.

THE PRESIDENT: I don't think I am doing anything in the morning unless you have loaded me up. I am going to be out most of the day driving around. I don't believe there is any news. Isn't that awful?

Q Mr. President, is there anything you can tell us about the conference tonight with Morgenthau?

THE PRESIDENT: Usual progress.

Q Will it perhaps include the possibility of taxation?

THE PRESIDENT: Among fifty subjects, but don't emphasize it

because there will be fifty others. Same thing we talked about the other day.

Q Is Mr. Bell coming up?

THE PRESIDENT: Monday morning.

Q Will Mr. Morgenthau stay over for the Bell conference too?

THE PRESIDENT: No. When I say no, I don't think so. I don't know what his plans are.

Q Mr. President, there is one thing of interest, if you feel free to answer or talk about it. That is this business in China. It has been going on now for three or four months. Do you think it is a war, or don't you?

THE PRESIDENT: I think you will have to refer that to the State Department.

Q Is there anything that can be said about the stories appearing recently, particularly the last two days, in the New York Times this morning, about the possibility of adjustment in capital gains and surplus profits taxes?

THE PRESIDENT: The only thing I can say about those stories is something rather interesting. If you will read them you won't find in any of the stories anything relating to changes in taxes -- not a single reference -- to that portion of the population which has very little money to live on. It is rather an interesting fact

that as these stories come out of Washington, not one statement contains any reference to the very large section of our national population that doesn't have a decent standard of living. I have been rather struck by it of late. In other words, here's a national problem that apparently in these stories is only being viewed from one angle. Did you ever think of that? It's an interesting thing.

Q Is there any mention in any of these stories of the kind of taxes? They pay taxes on sales. The sales taxes that these very poor people pay?

THE PRESIDENT: Never, no mention of that ever. Never any mention of increasing the purchasing power among the thirty or forty millions of people who have today practically no purchasing power. I think very probably it is an interesting thing for you to use your imaginations on and write interpretative stories.

Q (Mr. Trohan) I had much rather you would interpret it.

THE PRESIDENT: No, it would be a very useful practice on the part of all of you.

Q (Mr. Trohan) I may be slow, Mr. President, but I don't find any significance in that.

THE PRESIDENT: No, you are not slow at all.

Q Do you expect us to psychoanalyze ourselves in our papers?

THE PRESIDENT: No, I am just thinking about the stories that Bob (Post) asked about.

Q They have no purchasing power and they pay no taxes?

THE PRESIDENT: No, I didn't say that at all. Nobody ever said they paid no taxes. On the contrary, the suggestion was that they paid very large taxes. Why don't you dig up that report? Don't attribute this to me, for frankly, I don't know whether it is accurate or not, but in the report of the Filene Foundation you get the whole thing in one paragraph. It showed the taxes that are paid by the family with income of one thousand dollars a year, and then on up.

Q I wanted to ask you about these hearings on Czechoslovakian Treaty. They have been having hearings before the Reciprocity and ? Committee, and it looks to me as though they were making that a part of the general attack from the labor angle on reciprocal treaties.

THE PRESIDENT: I don't know; I didn't follow it all.

Q There is tremendous influence from labor in countries where conditions are not nearly as good as here.

THE PRESIDENT: I take it that is why they have hearings -- to bring out those things.

Q Even the arguments of industry are being put from the labor standpoint in order to get this import section in the Wage Bill.

THE PRESIDENT: Well, that is why they have the hearings; it's a good thing.

Q They had some terrible testimony on labor conditions in Czechoslovakia.

THE PRESIDENT: For the purpose of this tax discussion and the point you raise -- suppose for the discussion there were plans or ideas to revise the tax downward, and that were done, would that shift the additional burden upon the people who are not mentioned in the stories, or isn't the point -- and I understand this from Mr. Kennedy, who was up a week ago -- taxes now are not yielding the income they could be made to yield for and larger if they were revised downward somewhat.

Q To whom?

THE PRESIDENT: A larger proportion of the people who do have capital gains.

Q Obviously these people who talk about it do not have capital gains.

THE PRESIDENT: Very few of them. I know what you mean -- you have to do some tall thinking. The point I emphasize is

in all these stories the point of view stated is not that of the people who have very little purchasing power, or no purchasing power at all. There isn't a mention of the effect of changes in the tax law on the forty million people who are sub-standard so far as living goes. Isn't it an interesting fact that that argument isn't taken into consideration in these stories?

Q Isn't it true that a great many tax experts believe these changes wouldn't have any effect on these forty million people?

THE PRESIDENT: I wouldn't know. After all, you have to have real method to run a government; you have to have X number of dollars. Where are they coming from?

Q Don't some of them think changes in these taxes will provide additional capital to give additional employment?

THE PRESIDENT: Some do and some don't. Like those two letters I think I told you about the other day. They came in, two economic experts of the first water. One says the entire question is one of the velocity of capital turnover credit, and don't pay any attention to purchasing power. The other one says, forget all this algebraic formula about the velocity of capital turnover credit, the whole question is purchasing power on the part of one

hundred and thirty million people. It is a fascinating study.

Q Do you mean that if they have to pay out beyond -- (interruption) -- that it goes into wages and dividends, which is then spent? If you take the distributed profits it goes into wages and dividends?

THE PRESIDENT: Your velocity says that it does. There is another thing -- if you want to check up -- I can't give you definite figures -- I don't know whether I mentioned it the other day. The people of this country are getting about two and one-half billions of dollars -- you have to check up on these figures; Lubin has them. Don't write the story without checking. I haven't got them except very, very approximately. They only figure I have got is the total figure. The national income, because of a change in government action in one year, has been decreased two and one-half billion dollars. That's an extraordinary thing unless you analyze it. There has been a billion and one-quarter less payment this year on the Bonus, for instance. You will have to check on these figures, and I think they are public. There is a billion and a quarter less going out this fiscal year on the Bonus. There is a billion dollars less going out on relief, nearly

a billion. Then one of the so-called expenses of the government.

Nobody can believe any general balance sheet. You have to be an accountant to understand. There has been a contribution by employers and employees that runs about three hundred and fifty or four hundred million, for social security. Of course, a layman would say that contribution is being held in trust, a reserve fund, part of it, and part of it for payments. But quite a large portion of the total payment goes into a reserve fund which the Government invests in something. Now, that is typical of completely foggy thinking. Not attributable at all to completely foggy thinking -- the Hearst papers came out and said that this money was going into government bonds and that the government bonds wouldn't have any assurance of being made good ultimately, and that the Government was taking the cash that these people were putting up and paying the ordinary running expenses of the Government with it. This, of course, isn't true. When you receive money for a trust fund you have to put it into something, obviously, and if you study the financing methods of Social Security you will see it is better to put those trust funds into Federal Government bonds

than into stock exchange stocks and bonds. You have something which can always be made good if we have a government. It is all predicated on that.

Now, the total of all these things, the Bonus, the decrease in relief, decrease in public works, and the contributions to Social Security, mean about two and one-half billion dollars less than the figures of a year ago. Now, that is one of the contributing factors. Of course, business is supposed to be taking it up and they are taking up a portion of it, which, of course, you know. The national income has risen from thirty-eight or thirty-nine billions to -- what was it this year? -- sixty-five, and probably this coming year will go to seventy. And, of course, the aim is ninety or one hundred. When, the Lord only knows, but that is a perfectly sound goal to put out in a country which is going ahead in the increase of its wealth and the increase of living standards. The Wages and Hours Bill, of course, ties right into that, the Crop Control Bill, Surplus Control Bill, ties right in, increasing the national income.

Q Do you have any ideas about the proposed tariff section of the Wage and Hour Bill?

THE PRESIDENT: I don't know. I haven't seen anything about it at all.

Q There was one in the beginning, of course, and someone said you ought not to put tariff in the Wage Bill.

THE PRESIDENT: There was one perfectly impossible section which would mean the Chinese War around the country. The only thing to say about that is that the people who are for it have failed to realize you can't export unless you import. It is a perfectly obvious, simple, straight fact. You cannot export unless you import. In other words, people on the outside have no purchasing power, no method of paying for our goods. Now, if we import goods on the ground different people have different standards of living -- incidentally, all over the continent, so far as I know, there is a low standard of living, except possibly -- and you can't use this -- in a few countries, for instance, Scandinavia. It has, I think, about as high a standard of living as we have in this country, taking it by and large. All of you know that the average British working man and his family don't have a high standard of living as we have here. That is also true on the continent. Scandinavia, I think, is in awfully good shape, but the rest of the world is below us. Now, that section you are talking about in that bill simply meant there would be kept out goods from every other nation in the world, with the net result that we wouldn't export our goods.

RCB 2-26-45

Q Defeat of the Reciprocal Trade Treaty idea.

THE PRESIDENT: Not only that, but defeat of foreigh trade; in effect reestablishing in this country the old non-intercourse Act of 1807.

CONFIDENTIAL
Press Conference #408
Executive Offices of the White House
November 5, 1937, 10.50 AM

MR. DONALDSON: All in.

THE PRESIDENT: Steve tells me that the only news I have is a letter from Mr. Justice Robb of the Circuit Court of Appeals of the District of Columbia -- that the United States Court of Appeals of the District of Columbia -- announcing his retirement on November 15th when he becomes seventy years of age.

MR. EARLY: He is seventy years on the 14th.

THE PRESIDENT: Yes.

Q May we have the text?

THE PRESIDENT: Yes. Steve (Early) says that it will be ready for you when you leave.

Q Have you a successor ready, Mr. President?

THE PRESIDENT: No.

Q That makes two vacancies?

THE PRESIDENT: Yes.

Q Mr. President, have you actually heard or had a letter from Mr. Hosford, of the Coal Commission, resigning?

THE PRESIDENT: No, I am taking that up today.

Q Are you taking any other action with respect to the Coal

Commission, particularly the reports of quarreling within the agency?

THE PRESIDENT: I don't know; I have not checked up. I am going into it today.

Q Has he actually resigned to you, sir?

THE PRESIDENT: I don't know that either.

Q You haven't seen it?

THE PRESIDENT: No.

Q Will there be any appointments soon to the vacancies on the Securities and Exchange Commission and the Federal Reserve Board?

THE PRESIDENT: I don't know. I suppose soon. I suppose that depends on the definition of the word.

Q Will there be any appointments soon to the First Assistant Secretaryship of Labor?

THE PRESIDENT: I suppose so, soon.

Q Any comment on the New York election, Mr. President?

THE PRESIDENT: No.

Q Mr. President, can you tell us the reason for the delay in some of the flood control projects that were started and held up last week? Apparently there was some trouble with the relief money -- with the budget.

THE PRESIDENT: I don't know. That is a question with which

I am not sufficiently familiar. It is a question of whether we release at this time the full amount to complete or to go ahead with the thing in this fiscal year. That really is the question. It is as short as it is long. It will be finished. It is a question of budgeting whether we release more now than we can use the balance of the fiscal year.

Q Have you any comment to make on this Peace Conference?

THE PRESIDENT: No.

Q Mr. President, when you were North, the news got out that the Civil Service Commission and others were examining into the cost of having a five-day week for Government employees.

THE PRESIDENT: That thing has been under study for about six months and still is.

Q Are you looking forward to that -- (interrupted)

Q Do you expect to get the report yourself or is it going to the Budget Bureau?

THE PRESIDENT: I think it goes from Civil Service to the Budget. I have not talked to Budget or the Civil Service about it.

Q Would you like a five-day week?

THE PRESIDENT: It is a question of getting some facts.

Q Do you favor a five-day week?

THE PRESIDENT: I am favoring a study, that is all. I don't know anything about it and none of us do.

Q Early figures on the possible cost will run between sixty and one hundred million dollars. Will that run too high?

THE PRESIDENT: I cannot comment because I don't know whose figures they were.

Q Was Jim Farley present when you were talking to Mayor LaGuardia yesterday?

THE PRESIDENT: Oh -- (Laughter) Having read the newspaper stories about the conference I suppose the easiest thing to do is to disprove most of your speculations by simply telling you what happened. I will give you the time table. The Mayor arrived at twenty minutes to three and he came upstairs to see me all alone. And at five minutes past three Jim Farley came upstairs and I suppose we talked for three minutes and then both of them went downstairs and I got myself dressed to go to the train. The Mayor left the house about four minutes later. Jim Farley and Mrs. James Roosevelt and Harry Hopkins and myself and the little Hopkins girl, we all left the house and went to the train. Now there is the schedule. (Laughter)

I feel like inventing a new proverb or aphorism. "Speculation in news stories is just as dangerous as

speculating on the stock exchange." That is a good one. You can use it in quotes.

Q In view of the speculation as to possible further devaluation of the dollar, sterling is now five dollars. (Laughter)

THE PRESIDENT: A very excellent illustration, exsellent.

Q Any comment?

THE PRESIDENT: No.

Q Matthew Woll said last week that he expected to see you up at Hyde Park and he didn't say for what reason. I wonder --

THE PRESIDENT: He has been on the list, oh, I don't know, for a couple of months. I think he is going to see me very soon.

Q Any particular reason?

THE PRESIDENT: No.

Q Have you had any word from the British Government concerning the possible token payment on their debt?

THE PRESIDENT: No. The Treasury or the State Department may have. I don't know. I have not.

Q The Treasury hasn't either.

Q There is some report, Mr. President, that you are about to take a step regarding the British trade agreement or that you have taken one.

THE PRESIDENT: I don't know anything about it. Ask the State Department.

Q Mr. President, have you determined on a definite date of departure for Warm Springs?

THE PRESIDENT: Yes, the night before Thanksgiving, the 24th.

Q The night before?

THE PRESIDENT: Yes. Gainesville the morning of Thanksgiving Day and get to Warm Springs in the afternoon, after lunch.

Q Mr. President, you will speak in Gainesville, will you not?

THE PRESIDENT: Yes.

Q How long do you plan to stay?

THE PRESIDENT: I don't know. I haven't any plans after Thanksgiving. That depends on a lot of things.

Q Has the Administration taken any active part in promoting the convening of this conference between CIO and AF of L?

THE PRESIDENT: Not that I know of.

Q Do you plan to do anything to make speculation on the Stock Exchange a little less dangerous?

THE PRESIDENT: A little less what?

Q A little less dangerous.

THE PRESIDENT: Of course there are two ways of looking at that. The more dangerous it is, the less people ought to go into it. If it were not dangerous everybody would make money in it. Just think that over.

Q Do you consider the stock market dangerous?

THE PRESIDENT: Consider the stock market dangerous? That does not make any sense.

MR. YOUNG: Thank you, Mr. President.

MR. PERKINS: Do you favor the reunion of the two groups in labor movement?

THE PRESIDENT: I always have.

(The Press Conference adjourned at 11.00 AM)

CONFIDENTIAL
Press Conference #409
Executive Offices of the White House
November 9, 1937, 4.05 PM

Q (Mr. Young) Mr. President, how are you, sir?

THE PRESIDENT: Russ, I see that your yesterday morning story was the only one that stayed through to the final edition.

Q (Mr. Young) It is just as good this morning, too.

MR. DONALDSON: All in.

THE PRESIDENT: I am making a short radio talk on Sunday night about the census -- the unemployment census -- that takes place next week and the movie people had to have a movie of it all ready, so I am making that tonight and because I am giving it to them tonight, I'm giving you a release of what I say tonight this afternoon. (Laughter) Cause and effect. (Laughter) It is a very good illustration of how careful Steve (Early) has to be to please everybody.

I don't think there is anything besides that.

Q Mr. President, as long as we are dealing with social problems now, have you been reading in the public prints about Mark Sullivan's stenographer? (Laughter)

THE PRESIDENT: Yes.

Q (Mr. James Wright) Well, Walter Lippmann thinks you are

taking the thirty-five cents a week and spending it on riotous living so that there won't be anything when this girl does get to be sixty years old.

THE PRESIDENT: No!

Q Well, what have you to say about it? (Laughter)

THE PRESIDENT: The only thing I could say is to comment on the first two paragraphs of Mark's story. Is Mark here?

Q (Mr. Sullivan) Yes. (Laughter)

THE PRESIDENT: -- in which Mark intimated gently but firmly that the question of his stenographer's old age was her problem and not his problem and not the Government's problem. In other words, that she had absolute freedom, as an American citizen, to starve to death when she got to be sixty-five if she wanted to.

Q He said she had saved the house in the meantime.

THE PRESIDENT: That would depend on how good a trustee Mark is.

Q (Mr. Sullivan) In spite of all that she is half a New Dealer yet. (Laughter)

Q Do you think there should continue to be as big a contribution as there is now to the Federal Treasury?

THE PRESIDENT: For a while.

Q For a while?

THE PRESIDENT: For a while. In other words, what the outcome

of the reserve fund will work out at over a period of years is something that we frankly don't know enough about. Now, there are all sorts of stories that it may amount to forty billion dollars or fifty billion dollars. I don't know. I am not sufficiently familiar with the mathematics of insurance to give you a top figure as to what it may turn out after we keep going for a comparatively short time, not any forty or fifty years. The total reserve fund will not have to be as big as anything like planned in the original Act but, in the meanwhile, Mark's stenographer is being taken care of. I should think, from what I would call a preview on this young lady's case, that if I were in her place, she has had such excellent publicity, that I would ask Mark for a higher salary. Of course, that would increase her old age benefits too. (Laughter)

Q What would happen to the money if you built it up to forty billion dollars?

THE PRESIDENT: That is one of the problems.

Q Is that a problem?

THE PRESIDENT: Certainly. Of course it is.

Q Are taxes likely to be reduced; can you tell us anything on that?

THE PRESIDENT: On what?

Q In the study of this question of reserves, can you tell us whether the taxes may be pared down?

THE PRESIDENT: Frankly, I don't think we know enough about it. You will remember that the British Government put in, in 1910 or 1911, their first old-age pension plan and I think that ever since then, that is 26 or 27 years, there has hardly been an annual session of Parliament that they have not changed the mechanics of the plan one way or the other. They were rather badly hit during the war because they tried to extend the operation of the plan to take care of the wounded veterans without providing further reserves. Since that time, by various amendments to the original law, as I understand it, they have got the mechanics of the reserves and of insurance back on a sound business basis where it is no longer troubling them.

Now, as time goes on, every session or every other session of Congress, there is no reason why with experience we should not make modifications in the law. You cannot tell what kind of modifications there will be. It is too early to tell. We don't know enough about it. Only Mark does.

Q Isn't it the broad plan to put social security on a "pay as you go" basis?

THE PRESIDENT: Permanent -- ?

Q "Pay as you go."

THE PRESIDENT: "Pay as you go" is too difficult to define.

No two people will agree on what "pay as you go" means.

It is a very simple phrase to use. What do you mean by it?

Q Where the reserve --

THE PRESIDENT: No reserve. Why have any reserve? That is one definition of "pay as you go".

Q You really are not going to have that. You are going to float these bonds to raise the money that is necessary when the time comes?

THE PRESIDENT: After a long period of years. If you put in a plan of this kind immediately, you would go broke on a "pay as you go" basis. For the first forty or fifty years, whatever the term is, it would take too much out of annual receipts if it were made "pay as you go" on this basis of annual reserve.

Q There is a great deal of interest in a conference that met with you at two o'clock and which adjourned a little bit ago and which said that you would be the source of news.

THE PRESIDENT: "We discussed in a general way the studies our committee is making in regard to tax matters and there was some discussion of taxes in connection with the farm

program," Doughton said. (Reading from a UP ticker report) And so do I. (Laughter)

Q Will you read that again, sir?

THE PRESIDENT: I am reading it from the ticker, "We discussed in a general way the studies our committee is making in regard to tax matters and there was some discussion of taxes in connection with the farm program." Doughton said that.

Q And he also added that you would give us the details.

THE PRESIDENT: He was optimistic. (Laughter)

Q Have your experts verified the report of the Department of Agriculture economists that the national income next year is going to be under sixty-nine billion dollars?

THE PRESIDENT: I have not heard of it at all. That is a new one.

Q You haven't heard of it?

THE PRESIDENT: No.

Q There was another conference you had this morning and those attending it said the same thing. The conference which included the Chairman of the Power Commission, Mr. Seavey and Mr. Carmody.

THE PRESIDENT: That related to a general study of the national power program. Same idea.

Q Has the study of the business situation reached a point where you can say that Federal pump priming will be reduced or expanded?

THE PRESIDENT: That is what they call "spot news" and it does not come into the picture.

On the question of power, I was reading over the other day -- this is just for background -- one of the press conferences we had in 1934. It was a very, very interesting conference. Kannee typed out the notes of the conference and it is a curious thing that the things that were said at that time -- I talked for ten or fifteen minutes for background -- are just as true today as they were then. We took up the principal problem of utilities and I told -- some of you remember it -- I told the story of the origin of the utilities, the ferryman on the Thames in the days of Queen Elizabeth, and how the common law of England, which we have inherited, set forth certain principles, and that by carrying out the analogy of the common law, which we have got away from for a good many years in this country, we could solve the whole problem of public utilities.

For example, suppose that Queen Elizabeth said to that ferryman on the Thames, "We will value your ferryboat

as being worth $500. You say you paid $1,000 for it. Well, that is your own fault. You cannot get a reasonable return on $1,000 just because you paid that for the ferryboat if the ferryboat was only worth $500 at that time."

You can apply that analogy to the question of the valuation of public utilities today. It was an awfully difficult thing when I talked with the heads of some of the public utilities to get them to even discuss the problem of valuations. I understand -- we know that there are lots of reasons why they do not want to discuss the problem of valuations.

I stated, in this same press conference, a case down in Georgia where a little, busted, run-down-at-the-heel municipal plant had practically no value -- had a scrap value of about $50,000. Something had to be done. Either the municipality had to go in and build a brand new electric plant, or it had to bring in a private utility. No reasonable person, on a straight value basis, would have given more than $50,000 for the existing plant. Practically all it consisted of was a brick building and a couple of boilers and a few miles of worn-out wire and a couple of transformers. But the competition in those days

between electric companies was so great that the city was clever enough to get them bidding against each other and finally one of the companies paid $200,000 for this plant worth $50,000. And the city sold it. It was a good piece of business on the part of the city.

Query: Should that utility company seek to earn a reasonable profit on $200,000 or on $50,000? Obviously, the $50,000.

All right, take another case:

There is a certain waterfall in the United States which is owned by a private utility company. They bought it a good many years ago at the value of farm land, about $50,000. Well, they are about to develop it. Should they put into the cost the $50,000 plus the taxes they have paid in carrying it over a few years, or should they give it a value of $1,000,000? It may be worth $1,000,000 today but it only cost them $50,000 and they have put in perhaps another $25,000 for taxes.

If people would come down to the old common law on the valuation of utilities, we can get a meeting of the minds right away and we can say to them in return, "If you will value correctly under the old common law and if you will capitalize on that corrected valuation under the

common law, there is no reason in the world why you should not continue to receive a special benefit from the government, and that is a monopoly. Nobody is going to compete with you if you are properly valued as to your property and properly capitalized."

There is only one other thing that has to be said to them, and that is this: "In the territory in which you receive a monopoly, not under the common law but under the Constitution, a municipality, as a corporation created by a state, has a right to say by a vote of the people, 'We are going to go into the distribution system ourselves.'" They have a right to do that and if they do, the private utility ought to sell bulk juice to them over the transmission line, again at a reasonable profit, for the same price that they would charge to others for that juice. That is a thing over which we have no control. A municipality has the right to distribute its own electricity, if it so elects. That is simple. It is the law of the land. But very few municipalities are going to make that election if the private utility which is there now gives them a rate which is based on a fair valuation -- a common law valuation.

That is practically a repetition of what I said, I

think, in 1934. There is your solution.

Q How do you square your application of the common law to the Supreme Court's definition of value?

THE PRESIDENT: I don't.

Q How are you going to get around it?

THE PRESIDENT: I don't think it is constitutional.

Q How are you going to change that?

THE PRESIDENT: I hope we will get some decisions more in line with the common law.

Q You mean judges?

THE PRESIDENT: No, I am not talking about judges; I am talking about Supreme Court decisions.

Q Decisions in conformity with the common law rather than the precedent set by the Court up to now?

THE PRESIDENT: In all cases, yes. That has nothing to do with individual judges at all. I am talking about the Court as a whole.

Q The common law and what was called "prudent investment" in the Interstate Commerce Commission -- are they the same?

THE PRESIDENT: "Prudent investment" is one factor in it. In the case of the utility that paid $200,000 for a plant that was worth only $50,000, they were not prudent investors. That is one factor, but only one of a good many factors.

Q Any special reason for outlining this so clearly today?

(Laughter)

THE PRESIDENT: Only that somebody asked the question about what we were talking about this morning. Chairman Seavey and -- what is his name, of REA?

Q Carmody.

THE PRESIDENT: Yes, and our friend from the Grange in Washington. That was the discussion this morning.

Q (Miss Black) How come Mr. Kannee had it typed out?

THE PRESIDENT: Because I was on Sunday last editing volume three of this famous set that is coming out, the set of messages and papers, in which we are including a number of the more interesting press conferences which, however, will be released to the press before they are published in book form.

Q Mr. President, is there anything new in the Coal Commission row and the resignation of the Chairman, Mr. Hosford?

THE PRESIDENT: No, nothing new.

Q Have you acted on his resignation yet?

THE PRESIDENT: I have not. I hope he won't leave.

Q Why? (Laughter)

Q Mr. President, are you giving personal attention to the Haiti-Dominican trouble?

THE PRESIDENT: Yes and no. I am familiar with it as it goes on.

Q There is an engagement listed with the Foreign Minister.

THE PRESIDENT: We hope very much that it will be straightened out. Oh, this tea visit this afternoon has nothing to do with it at all. That was arranged a long time ago.

Q How about the conference with the Minister this morning?

THE PRESIDENT: That was to say "How do you do." I had not seen him since he was appointed Minister.

Q The story that came out this morning as to the visit of the young Japanese Prince was that he carried a letter to you from his father.

THE PRESIDENT: Just a nice, friendly letter.

Q No diplomatic exchange at all?

THE PRESIDENT: No.

Q In the light of your recent conferences and discussions here, do you still feel confident that the budget can be balanced next year?

THE PRESIDENT: Same old story, same words. I hope it will be balanced next year.

Q Hope?

THE PRESIDENT: What did I say last time up at Hyde Park? Hope and expect?

Q Hope and expect.

THE PRESIDENT: Same old thing. I will turn on the same record. (Laughter)

Q Will you tell us what you talked to Ed McGrady about yesterday?

THE PRESIDENT: I think I had better not at this time because we have a "hen" on. (Laughter)

MR. YOUNG: Thank you, Mr. President.

(The Press Conference adjourned at 4.20 PM)

CONFIDENTIAL
Press Conference #410
Executive Offices of the White House

November 12, 1937, 10.45 A.M.

(Miss Craig was invited to occupy the Chair in the absence of Dean Young.)

THE PRESIDENT: They will be wanting to come to the White House Correspondents' Dinner next time, -- sure as shooting. (Laughter)

Q (Miss Craig) Didn't you know that we tried to come once?

THE PRESIDENT: Yes.

Q (Miss Craig) And they kept the money six weeks and then sent it back saying that they didn't want to keep our money any longer.

Q (Mr. Harkness) You were lucky to get your money. That was a break.

Q (Miss Craig) Yes, but we were the only ones to send it in advance. (Laughter)

MR. DONALDSON: All in.

THE PRESIDENT: Kannee says that he has nothing for me this morning. (Laughter)

Q Is it definite that your message will go up Monday?

THE PRESIDENT: Yes.

Q Mr. President, have any of the utility executives indicated any desire to talk about valuation with you?

THE PRESIDENT: I think there are some coming next week.

I don't know who, but I think so.

Q To discuss valuations?

THE PRESIDENT: I don't know what they want to talk about.

I assume that will be one of the topics.

Q Will the Monday message be concerned only with the items before the Special Session?

THE PRESIDENT: I can't tell you, Ulric (Bell). I haven't finished it yet.

Q Can you tell us a little bit about this program for stimulating the building industry?

THE PRESIDENT: In the study stage still.

Q Will it be ready soon?

THE PRESIDENT: I hope so. It takes very little legislation, as planned.

Q The New York and Washington Newspaper Guilds seem to view with surprise and apprehension your acceptance of membership in the American Press Society which they say is an employer-dominated organization.

THE PRESIDENT: That, of course, I have no information about. Steve gave me the thing. They quoted the Constitution of the American Press Society and it looked pretty good to Steve and me. It said, "This Society is dedicated to the belief that the practice of journalism is an honorable profession bearing the nature of a public trust. The integrity and detachment of it are

essential to better government and the preservation of the liberties of the masses and of minorities," to which we said, "Amen" and accepted the invitation of honorary membership. That is the beginning and end. We don't know anything more.

Q That "detachment" they are talking about is detachment from trade unionism. That is the detachment they are more interested in.

THE PRESIDENT: Well, I didn't take it that way.

Q On this building program, how have you arranged for bankers to loosen up and for the laboring men to have an annual income?

THE PRESIDENT: That is just the story. We are studying it. We are trying to find out.

Q Are those the two prime factors?

THE PRESIDENT: There are really two prime factors in it we are trying to solve. One is to get capital to go in and secondly to get the double objective of a low-interest cost and a low-building cost. The two go right together because the lower your interest costs the better it is for the pocketbook of either the buyer of the home or the renter of the home and the lower the building costs, the better it is for the pocketbook of the prospective owner or renter.

Q I did not see any labor unions in that. The building trades' costs have been very high.

THE PRESIDENT: In some places.

Q Where they don't have an annual income, the hourly wage is very high and that has stopped building.

THE PRESIDENT: The annual income is one of the factors we are studying, also the reduction in material costs.

Q Have you arrived at any conclusion yet?

THE PRESIDENT: No.

Q What kind of buildings are you thinking of?

THE PRESIDENT: All kinds of buildings but primarily for the lower income group. That is for the individual dwelling in the big city and in the small city and small town, the two-family or the apartment house. It is all inclusive.

Q Have you information on about what income group, exclusive of the very lowest, where there is a deficit in housing, a deficit in safe and sanitary --

THE PRESIDENT: It is awfully hard to give any figure because it varies so much in different parts of the country.

Q Mr. President, have the political developments in Brazil changed your attitude toward the destroyers?

THE PRESIDENT: You will have to ask the State Department about that.

Q May I ask another question about housing? Have you determined what has caused the lag in building? Have

you reached a definite conclusion about that?

THE PRESIDENT: There are a great many factors, a great many.

Q Would you care to mention any?

THE PRESIDENT: Well, high real estate costs and there you run into the problem of transportation. In other words, to go far enough out of town to get low acreage costs, you have to have some form of transportation to get people in to work. Then there is the cost of materials of all kinds, the cost of labor in some sections, the inability -- don't put it as inability -- the fact that there has been very little done by private industry to organize for large-scale building -- obviously it costs per unit a great deal more to build five houses than it does 100 houses and there has been very little done by contractors, builders and financial institutions to come together and do large-scale building which will reduce costs very materially.

And then, finally, the very high interest rates that are charged for first, second and third money running on the average, in the North, well over 8 per cent and in the South 10 to 12 per cent.

Q On all of those -- on an average of all kinds of mortgages?

THE PRESIDENT: Not mortgages, that is first, second and third money. In other words, when you put up a building

You know you have three different kinds of money, you have your first mortgage and then you have generally your secondary mortgage and then you have what might be called the equity money because you have to have something in hand to carry on the building operation.

Q How will this program dovetail with the slum clearance, would you mind explaining that?

THE PRESIDENT: That is one phase of it and we hope that will go along all right as a phase.

Q Mr. President, will you try to influence the utility people in a building program of some kind?

THE PRESIDENT: I don't know. I don't know whether they want to discuss it or not.

Q We talked to the State Department regarding the new form of Brazilian Government and we asked whether it would affect our monetary arrangement with Brazil and whether the Monroe Doctrine would be brought in and they referred us all to you.

THE PRESIDENT: You will have to ask them again. In other words, I have no news on it today.

Q So far as you know, is all peace and harmony at the National Bituminous Coal Commission? (Laughter)

THE PRESIDENT: You had better ask them.

Q I beg pardon?

THE PRESIDENT: You had better ask them. I have no news on it.

Q You haven't any conference scheduled in regard to that situation?

THE PRESIDENT: I think Mr. Hosford is coming in this morning at 11.45. I see that on my pad.

MR. OLIVER: Thank you, Mr. President.

(The Press Conference adjourned at 10.55 A.M.)

November 24, 1937

MEMORANDUM FOR MR. EARLY:

Referring to page 15 of the attached, I checked with Mr. McNinch as to the accuracy of the figures which the Press said that he had given to them. Chairman McNinch said that they were the figures given by him but that he was "taken by surprise" and wanted to check them. Later one of his assistants gave me the following:

> "The Federal Trade Commission said their investigation disclosed 864 million of write-ups in operating companies, 273 million in top holding companies and 353 million in sub-holding companies or a total of one billion 490 million. At the time that they made that investigation the industry claimed that the total investment in the industry was between 10 and 12 billion. The investigation covered an investment of about 4 to 5 billion.
>
> "They examined top holding companies and found that the write-ups were about 9.6 per cent, in 42 sub-holding companies they found the write-ups to be about 16½ per cent and on 91 operating companies they found the write-ups to be about 22.1 per cent.
>
> "It is pretty hard to break this down and give percentages because they did take the most vulnerable ones so that the figures just given flatly are not enough; they would have to be explained, otherwise you leave yourself open to attack."

HMK

CONFIDENTIAL
Press Conference #411 - In the Oval Study at the White House
November 23, 1937, 4.15 PM

(A delegation of ten reporters selected by the President of the White House Correspondents Association attended this Conference. Upon its adjournment, all those who attended the Conference returned to the Executive Offices of the White House where the stenographer read his notes to the other reporters assembled there for that purpose.)

(Mr. McNinch was present during the Conference in the Study.)

THE PRESIDENT: Good people, how are you? Glad to see you.

Q You look all right. I thought you were sick.

THE PRESIDENT: I think we ought to get a chair for the Dean (Mr. Young). Pull it up, it is right behind you.

I hear there is much weeping and gnashing of teeth and that John O'Donnell -- this is strictly in the family -- cannot separate two fellows, he thinks they are twins, Walter Trohan, representing the hated rival, and Walter Trohan, President of the White House Correspondents Association.

Q (Mr. Young) There was some talk of Mr. Trohan as a candidate for re-election and they were using this as a little expediency.

Q (Mr. Trohan) It is all over now. Not even a second term for me.

Q We were interested, sir, in encountering Mr. Willkie as he went out.

THE PRESIDENT: We had a very, very interesting talk that lasted about an hour and twenty-five minutes.

Q What about, sir?

THE PRESIDENT: About utilities in general. I should say that Mr. McNinch and I and he had covered pretty nearly the whole field, talking on matters of general principle underlying the problem, with the objective and the hope that a very crying need in the country for additional power facilities can be met. The apparent need for expenditures in the coming year runs from a billion and a quarter dollars to a billion and a half. We are all agreed on that, as to the need of expanding facilities.

Q For the power companies?

THE PRESIDENT: All the power in the United States.

And then I brought out some data which I have been getting recently that of course we all know about, that the use of power is going up practically every year -- I am talking about power as a general thing -- and the rather interesting fact that in the present set-up of power in the United States, about ten percent is being generated by Government projects and the other ninety

percent by private companies and municipalities. Is that right?

MR. McNINCH: That is right.

THE PRESIDENT: Of course nearly all of that ninety percent is private.

On the basis of area -- that is geography -- somewhere around eighteen percent of the area of the country could be -- not is, but could be -- served from Government power plants as they have been already built or are laid down.

Q Is that in addition to the ten percent?

THE PRESIDENT: Oh, no. It is a different thing. The ten percent, Russ (Young), is the amount of power now generated -- the total amount is one hundred, and ten per cent is now generated from Government plants, the other ninety percent from private plants. That is that thing; leave that to one side. Now, the area of the country, the geography, the total square miles of the United States, eighteen percent could be -- not is, but could be -- served from Government plants.

Q Built and building?

THE PRESIDENT: Built and building.

Q That is actually projected?

THE PRESIDENT: Yes.

Then a third thing, which is quite interesting, that on a population basis in the United States about thirteen percent of the population of the United States could be served from Government plants.

Now, let us put it the other way around: That means that from eighty to ninety percent of the total area of the United States, the total population of the United States and the total number of kilowatt hours is being served by private utilities.

MR. McNINCH: And cannot be by Federal.

THE PRESIDENT: And cannot be by Federal.

Q Why do you say it cannot be? Supposing, eventually, you had regional plans for power production in those areas.

THE PRESIDENT: That would be a very simple question to put: What hydroelectric development could the Federal Government put in to serve St. Louis?

Q You could use the Mississippi dams?

THE PRESIDENT: How much power comes from the Mississippi dams? They are three feet high.

Q They could be used.

THE PRESIDENT: Oh, no.

Q Cahokia is making it cheaper than Keokuk.

THE PRESIDENT: The total amount of firm power from the Mississippi dams would not run the White House.

MR. McNINCH: Almost nothing.

Q There are other areas, the Gasconade and Current which should be developed. I'm just asking -- you said, "could not be." I am wondering if you went ahead with a tremendous power program.

THE PRESIDENT: I am not taking into consideration perfectly remote things like the St. Lawrence Waterways. We haven't even a treaty with Canada. I don't know.

Q I wondered how far ahead you are looking?

THE PRESIDENT: I am talking about any present program.

Q Any present program -- it would still be between eighty and ninety percent?

THE PRESIDENT: And, incidentally, another reason why, in all human probability, it won't get beyond the ten to eighteen percent of Government by either area or population or bulk power, is the fact that if any more were developed by Government it would barely maintain that ratio with the new production of private power. Do you see? That is a very important factor because, for example, taking a practical thing, you can take any one of those new dams in the Tennessee Valley, and the chances are that

the private power companies will be increasing their output in the same proportion if one of those new dams comes in.

Frank, have you got that paper of yours about the Tennessee Valley? I think it is rather interesting.

(Mr. McNinch gave the President some papers.)

Take the Tennessee Power Company, starting in the year 1933 -- this is the sale, actual sale of power to ultimate consumers. It was 2,271,000,000 in 1933.

Q What is that, horsepower or kilowatt hours?

THE PRESIDENT: That is kilowatt hours. In 1934 it was 2,356,000,000, in 1935 it was 2,683,000,000, in 1936 it was 3,269,000,000, or an increase of sale of the Tennessee Power Company of 44% in four years.

Q Mr. President, wasn't some of that due to the general increase of business activity and production?

THE PRESIDENT: Sure, of course. And, as you know, that goes along.

Q Has there been a similar increase in installed capacity?

THE PRESIDENT: Yes. In installed capacity they have gone from 3,021,000,000 --

MR. McNINCH: That is generation.

THE PRESIDENT: This is generating energy, from 3,021,000,000

in 1933 to 4,072,000,000 in 1936.

I will give you the other figure. On revenue -- this is dollars -- I might just as well make these round figures, unless you want it down to the dollars?

Q No, sir.

THE PRESIDENT: In 1933, the Tennessee Power Company sold $54,000,000; in 1934, $56,000,000; in 1935, $60,000,000; in 1936, $67,000,000.

Q Mr. President, has Government power entered as a competitive factor in there?

THE PRESIDENT: Sure.

Q To what extent?

THE PRESIDENT: It started in 1933 when we took over the Wilson Dam.

Q Has your increase been proportionately greater than the private power company? I suppose it would be.

THE PRESIDENT: Oh, sure, because we started from scratch; we started from zero.

Q Can you tell us to what extent Government has affected this in dollars or revenue?

THE PRESIDENT: I don't know. In other words, you take this one company which, from the point of view of the utility companies, is the worst hit.

Q Is this the Commonwealth & Southern?

THE PRESIDENT: One of them, the Tennessee Power Company.

Q I understood you to say a moment ago that eighteen percent would seem to be the total limit of Government competition with the private plants.

THE PRESIDENT: That is the geographical area and thirteen percent on a population basis and ten to fifteen percent on kilowatts.

Q Did you give those figures to Mr. Willkie?

THE PRESIDENT: Yes.

Q What was his reaction? Amazement? Did he know about that?

THE PRESIDENT: No, I don't think he did. I did not give him those figures there because we did not get -- I gave him population, geography and total kilowatts.

Q The other conference about the building program, how did Mr. Willkie react to that, sir?

THE PRESIDENT: I suppose the easiest way is to put it this way: That there is this crying need for more power and that the difficulty, Mr. Willkie said, is in raising the junior money. I said, "Where?" Well, we picked an area of many hundred miles removed from the Tennessee Valley, in other words, so far removed that Tennessee Valley power would not enter into it. It is an area in which

there is no water power. I said, "What is to stop the company out in that area from going ahead and adding to to its power generation? It needs to." "Well," he said, "the general feeling."

I said, "The Government isn't in that area in any shape, manner or form," and, quite frankly, the only answer I got was, "The general feeling."

I said, "But the Government not only hasn't gone in and has no plans for going in, but how could it go in?"

"Well," he said, "the general feeling."

Well, that seems to be the difficulty.

Q Meaning that the general feeling that the Government would go in would prohibit them from floating the junior securities?

THE PRESIDENT: Yes.

Q Didn't he mean the general feeling of timidity and uncertainty on the part of the power people at this stage of it?

THE PRESIDENT: He said they couldn't sell the securities. I said, "Has any effort been made?" He said, "No."

Q What did he say to that, when you asked him had any effort been made?

THE PRESIDENT: Well, he said, "It is impossible."

Q Did you find yourselves in sharp disagreement on any of these important matters?

THE PRESIDENT: Not the major principles, no.

I asked various other leading questions which I cannot tell you about at the present time very well because -- Oh, I mean they related -- well, just as an example, would a utility recognize that common stock should be limited to the reasonable returns set out by the common law, seven or eight percent? Well, that is a matter that is still open because the determination of that answer would solve a great many troubles.

Q Did you discuss the possible repeal of the death sentence?

THE PRESIDENT: No.

Q Did he advance or indicate in any way how that general feeling could be changed?

THE PRESIDENT: He gave me, as he went out, a memorandum which I have not had the opportunity to read.

Q That seems to be the general thought that he was expressing, what all writers and stockbrokers say, as to the general feeling. So I would think the natural thing would be for him to say that if you did this or that --

THE PRESIDENT: He did not get to that.

Q Did he confine his definition of general feeling or his

idea of general feeling to the utility problem itself?

THE PRESIDENT: Oh, yes; we only talked about that, that is all.

Q Did you discover that Mr. Willkie or any of these utility people are at all reconciled to Government competition in the power field? Are they still feeling that the Government is their enemy when it comes to generating and selling power?

THE PRESIDENT: Well, Fred (Essary), I don't know how to answer that. I said, "Do you think the Government should sell no power from these plants?" He said, "Yes, they should sell."

Q Don't they want to purchase at the switchboard so they can distribute? That is what they always asked for.

THE PRESIDENT: Yes, I suppose so. We did not talk about that.

Q You did not talk?

THE PRESIDENT: No.

Q That is what they have always said, "Give us the power at the switchboard and don't have any limitation over our means of distribution."

THE PRESIDENT: Yes.

Q Could you say, from your general conversations with Mr. Willkie, and his reaction and your reaction, that some

headway is being made with this problem?

THE PRESIDENT: I should say so, wouldn't you, Frank?

MR. McNINCH: Yes.

THE PRESIDENT: Very distinctly.

Q You put this proposition of dividends up to him?

THE PRESIDENT: I would not say -- we talked about that as purely theory. Nothing was put up by either side. We have been talking theory today and we will continue to talk theory for some time to come. There is nothing concrete, no suggestions that the company do this or the Government do that.

Q Where is the headway being made?

THE PRESIDENT: The fact that we are getting down to some of these fundamentals.

Q You are agreed on certain factors?

THE PRESIDENT: I talked, for instance, of the famous case in the northeastern part of the country where a little private company had a little strip of territory, about twenty miles wide and forty or fifty miles long. They had their own private development, two or three villages, all local capital, and the total amount of money was $250,000. They just had one line that served these two or three villages and ran up the highway a ways. You

could not even call it rural distribution. They were doing very nicely, making about 8% on their money right along, paying it out to themselves.

Finally, two of these big boys came in competing for the territory and the bidding started at half a million, three-quarters of a million, a million, and finally they could not stand the gaff any longer and they took a 500% profit. They sold out for a million and a quarter. "Well," I said, "should that million and a quarter enter into the rate base of the purchasing company or should it be $250,000, which is what the whole thing had cost them?" He said, "No, certainly not. It should be $250,000."

Now, we are getting somewhere, when we begin talking like that.

Q They can take that to court and get a million and a quarter.

THE PRESIDENT: We are getting somewhere, never mind.

Q Did you discuss holding companies with him at all?

THE PRESIDENT: Barely scratched the surface.

Q Going on with that example, you cited one exactly parallel in the Press Conference the other day.

THE PRESIDENT: Yes.

Q And you said we are going back to the old English common law.

THE PRESIDENT: Yes.

Q So, in effect, Mr. Willkie agreed with your theory of valuation?

THE PRESIDENT: Yes. Wouldn't you say so?

MR. McNINCH: He proposed, he said, he would be entirely agreeable to have all the write-ups discovered by the Federal Trade Commission and reported by them taken out of the capital structures generally.

Q Was that the old common law way of figuring?

Q That is a concession in itself.

Q Would you remind repeating it?

MR. McNINCH: He would be agreeable toadopting the Federal Trade Commission report and eliminating all the write-ups that it found in those systems.

THE PRESIDENT: When were those reports made?

MR. McNINCH: They were completed in 1935. I believe they went over a period of three or four or five years. The suggestion was made by me that they did cover a considerable percentage of the industry but not all. They did not examine the whole industry but they did examine the larger set-ups. They covered 68 or 70% of the total investment.

Q How much water would be squeezed out of those you did know?

Did you ever compute that?

MR. McNINCH: Yes. I will get it in a moment.

(Later, the Press were informed by Mr. McNinch that the total amount of water was about a billion and a quarter in a total of twelve billions, making about 12%.)

Q How did this New York report happen to reach you? Was there some provision that it should be delivered to the President?

THE PRESIDENT: Yes.

Q It was made on the State authorization?

THE PRESIDENT: Yes.

Q And delivered to the President?

THE PRESIDENT: And made to me because it is, of course, of definite interest to those five people that I sent it to, the three Committees on the Hill and the Federal Power Commission and the National Resources Committee. 8-30-55 WCA

Q And it is also made to the Governor of the State of New York, I presume?

THE PRESIDENT: Yes.

Q How did it happen to be released just now, at this time?

THE PRESIDENT: Because Frank Walsh brought it in yesterday.

I did not know when he was coming.

Q That won't complicate this attempt to get together?

THE PRESIDENT: Oh, no. In fact, it ought to help because there we have figures one way and figures another way. It ought to be extremely helpful. The public is entitled to both figures, as I said in my letter transmitting it, and these figures deserve at least as wide publication as the previous set of figures.

I won't get it, but that is off the record. Am I right, Fred?

Q (Mr. Essary) I don't think so. (By this Mr. Essary evidently meant that he was in agreement with the President.)

Q Have you any assurance that Mr. Willkie is speaking for the entire industry?

THE PRESIDENT: Not for a minute.

Q Because I cannot imagine the Associated Gas & Electric --

THE PRESIDENT: Not for a minute.

Q Have you anything on housing?

THE PRESIDENT: In just a minute -- I want to read this telegram that came in. Harry J. Bauer was here in Washington last week --

MR. McNINCH: The day before the date of that telegram.

THE PRESIDENT: -- and I expected to see him, but being laid up with a bad tooth I could not see him. I think he has gone back to Los Angeles but I expect to see him the next time.

Q Who is he?

MR. McNINCH: President of the Southern California Edison Company.

THE PRESIDENT: He sent this telegram to Chairman McNinch, which I think is rather interesting. If you want copies I see no reason why you should not have copies. (Reading) "Will you please express to the President my sincere appreciation of the honor of being invited to attend the conference of the Utility Executives to be held at the White House today and also my regret that it is impossible for me to be present. Should you feel that my ideas would be of any interest to the President, will you please advise the President that our company has lived successfully for many years in competition with the yardstick afforded by the municipally operated plants in our territory - that we have successfully met this competition by progressive measures such as basing our rates on historic cost rather than on

reproduction cost and that of making rates as low as possible rather than merely reasonable, thus avoiding the necessity for rate regulation by the Railroad Commission of the State of California - that we have been and are continually reducing rates voluntarily, our first consideration always being that of our consumers, that as a result of this policy our company has not had a general rate hearing before the Railroad Commission since 1922 - that our general policy concerning rates can be stated as follows: 'Rates should be as low as possible, thereby anticipating, one, competition, two, regulation, three, the economic necessity of the consumer, and, fourth, the reasonable expectations of the consumer.' Our company has greatly benefitted by the President's policy, particularly with reference to low cost of money, and, secondly, by the greater interest in the use of electricity with national publicity as created in the minds of the consumers. I am sending this message to you rather than directly to the President so that such attention will be given it as you think it deserves."

Q I think it was the Southern California Edison that had a case in the Supreme Court this last week -- it was a Los Angeles company and I think it was the Southern California Edison.

THE PRESIDENT: I don't know.

Q You made your statement on utilities and the next day the valuation case came up.

Q I think that was Pacific Gas & Electric.

THE PRESIDENT: Yes, that was the Pacific Gas & Electric. They are up North.

Q Before we get away from this, do you know what Floyd Carlisle's attitude is to be on this tomorrow?

THE PRESIDENT: No.

Q Any conferences with other utility men besides Floyd Carlisle?

THE PRESIDENT: I think so. I haven't anybody down -- I won't see anybody before I go away.

Q Will you see Carlisle?

THE PRESIDENT: He is coming tomorrow.

On housing, there isn't anything I know of. It is still being put together.

Q Do you expect to have something on it before you leave?

THE PRESIDENT: I hope so; I don't know.

Q There seems to be one feature in connection with this law that was passed last time that is causing Straus a good deal of trouble, and that is that so far as he has been able to find, there isn't a single city in the country

that is able to put up the 10% cash required by law.

THE PRESIDENT: Really?

Q Yes, sir.

THE PRESIDENT: I thought a lot of people said the cities were so well heeled now that they ought to pay for most of the relief. It is an interesting commentary -- yet they can not put up 10% of the cost of a single project.

Q They are offering all sorts of things, like slum areas, the valuation of them -- they would attempt to turn them over in lieu of cash, et cetera.

THE PRESIDENT: It is interesting to bring out those facts.

Q In connection with housing, I was asked to ask by someone whether in small private housing development, any consideration was to be given to inducement taxes.

THE PRESIDENT: No -- inducement taxes?

Q That is the phrase -- it is not a very good one.

THE PRESIDENT: That would be purely a local matter anyway.

Q Have you made up your mind as to the agitation in relation to stepping up the loan values to 90% instead of 80%?

THE PRESIDENT: In the case of individual houses, yes.

Q With certain limitations on the amount?

THE PRESIDENT: In the case of the individual who actually makes the contract before the house is built; not in

the case of the building company or contractor that puts up, say, 500 houses, even though they are dwellings.

Q Any limit on those houses, $10,000 or any amount?

THE PRESIDENT: I think so. But of course this does not limit the housing program to individual houses. It is broad enough and wide enough to take in the apartment houses, the two-family, four-family and six-family houses.

Q Isn't that your principal objective, the larger --

THE PRESIDENT: Not necessarily. There are a great many places where two, four and six-family houses and apartment houses are equally needed. There are areas where they haven't the vacant land needed to put up the individual houses.

Q Would that still be under the 80% limit?

THE PRESIDENT: Yes. In other words, the large financing would remain under the 80%.

Q Suppose one of those larger people, building multiple units for sale, would sell the smaller units to an individual owner, is there any arrangement whereby he could get a 90% allowance instead of 80%?

THE PRESIDENT: Yes.

Q Are you considering revival of the modernization program, Title I?

THE PRESIDENT: We talked about that yesterday and haven't

got anywhere yet.

Q The Federal Housing Administration wasn't very keen about reviving it when it came up last time but now they seem to think there is a new need.

THE PRESIDENT: The thing was revived yesterday.

Q The equipment people got a lot of that last time.

THE PRESIDENT: Yes. If it were revived, it would not apply to equipment.

Q Like refrigerators?

THE PRESIDENT: Yes.

Q You answered a question that you doubted whether you could do this before you got away. Have you any idea as to when you will be able to get away?

THE PRESIDENT: As soon as they stop treating the bum tooth because I don't want to take the dentist with me. This is a guess on my part but it will be either Saturday night or Sunday night, but entirely subject to the treatment.

Q In my capacity, I have a question to ask for a young lady reporter, Miss Craig. She asked me to ask you which tooth it was and have you lost your beautiful smile as a result of it and what became of the tooth. (Laughter)

Q Is it a tooth or a cave?

THE PRESIDENT: Well, on the first, the location: It is in Number 3 hole, aft, on the starboard side. (Laughter)

Q How about the beautiful smile?

THE PRESIDENT: Oh, judge for yourself, sweetness.

Q What was the other -- who got the tooth?

THE PRESIDENT: I think I will probably make that announcement at the Gridiron Dinner.

Q Getting back to housing, have you come to any decision on annual wage for labor?

THE PRESIDENT: No.

Q Apparently the prices of materials have gone down of their own accord, if the recession continues --

THE PRESIDENT: In some lines, not all.

Q Are they still going up?

THE PRESIDENT: The last advices I had was that lumber has taken a very definite drop. Cement, about which there has been a great deal of complaint about price maintenance, not by agreement but by hypnosis, that hasn't gone down. Steel hasn't gone down. There is competition in lumber and that has gone down.

Q On this question of recession -- have you -- put it this way: Do your Government advices coincide with the New York Times index which seems to be rather alarming?

THE PRESIDENT: I don't know. I have not had any of the consolidated indices we get now.

Q I was wondering whether the statistical bureau is supplying you.

THE PRESIDENT: It still is. The Central Statistical Bureau, but I haven't seen anything for about three weeks.

Q Does the type of wage and hour bills for which the labor leaders are asking conform with your ideas?

THE PRESIDENT: I don't know. On that question, of course, the wages and hours and the crop bill, I have been very much amused, sitting here with nothing very much to do in the morning except to read the paper, to see all the various stories about this being an Administration proposal and that being the President's proposal, and this being thrown out and that being accepted, et cetera. The only thing I can obviously say is what I said last Spring, that I would send a message outlining objectives. I sent two, one in the Spring on wages and hours and one the other day on wages and hours. The easiest answer is to tell you to read the messages. One of you may decide that X bill does not conform and that Y bill does conform, but it is just your guess. It may be good and it may not be.

Q In your leisure hours last night, did you listen to Arthur Vandenberg?

THE PRESIDENT: No. Was he on the air?

Q Yes, he was on the air.

MR. EARLY: He is in the Star tonight, boss.

Q He quoted you as saying, when you were at Charleston, two years ago, that prosperity came because you had planned it that way, and he pointed out that you said the other day that business can do more than the Administration can on securing it. He said you were right the first time. In other words, that the policies of government had brought this along.

THE PRESIDENT: I cannot comment in answer to Arthur, obviously. As long as you do not tie this in in any way with Arthur, that was perfectly true in Charleston in 1935, that the things we had done, which largely at that time were a monetary and pump-priming policy for two years and a half, had brought the expected result, perfectly definitely. That, of course, has absolutely nothing to do with the present situation because the monetary medicine that was given, it worked and there was no more monetary medicine given.

On the pump-priming, we have gradually come to an

end or, rather, a great diminution of the pump-priming. Then, of course, there was the third factor, which was an important factor, and that was that at that time it was just after the NRA decision and wages and hours were all right, especially the wage end of it, and also the getting together of industry every month around a table, industry by industry, where they went over the old-fashioned law of supply and demand: "Is there too much of a surplus at the present time? Should we slow up?"

That was knocked into a cocked hat and subsequently, in January 1936, came the other factor, which was the knocking out of Triple A, which was working on the general control of unwieldy surpluses. Today we are suffering, in the cotton end, from a condition which would not have been anything like as bad if the Triple A had been in effect this past growing season.

(At this point it was agreed that all of the Press Conference from the query about Senator Vandenberg's speech down to this point should be kept off the record for later release.)

Q Anything to be said on the international situation? Anything ahead that can be foreseen?

THE PRESIDENT: I don't think so, Fred (Essary). I haven't seen today's dispatches.

Q They seem to have recessed in Brussels subject to call of the Chair.

THE PRESIDENT: I think the only thing you can do would be to intimate that efforts made at seeking ways towards peace will, of course, continue at every possible opportunity. That is the policy of the Government, to seek every possible means towards peace, both in relation to existing situations and future dangers. To keep on trying. If you don't succeed at first, keep right on trying.

Well, I hope to be over on Friday.

Q Have you any plans for Thanksgiving?

THE PRESIDENT: Just a family dinner, that is all.

(The Press Conference adjourned at 4.45 PM.)

CONFIDENTIAL
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Executive Offices of the White House
November 26, 1937, 10.40 A.M.

Q (Mr. Young) Take the chair, Fred (Storm). He is back, Mr. President.

THE PRESIDENT: Yes, I know. And we have to get him out of the way, somewhere, so take the chair. Fred, welcome home.

Q (Mr. Storm) Thank you, Mr. President, glad to be home.

Q You don't look like a sick man, Mr. President.

THE PRESIDENT: No, it is coming along all right. I lost pounds and pounds.

Q How many, Mr. President?

THE PRESIDENT: I don't know. I haven't weighed myself.

MR. DONALDSON: All in.

THE PRESIDENT: The housing message is going up Monday and on Tuesday, I think I will send up a message in regard to highway appropriations of all kinds. It is fairly important. The gist of the highway message is going to be along this line and this problem: Up to, oh, I don't know when but I think it was 1929 or 1930, the Federal Government had been aiding the States to the extent of somewhere around 80 or 90 million dollars a year on the State system of roads and gradually that was increased through a practice that grew up in those years, not very sound, a practice, in effect, of Congress

authorizing an appropriation. If it would have stopped there it would have been just like billions and billions of other authorizations, not followed by an appropriation. I think we have outstanding on the books at the present time authorizations amounting to somewhere between a billion and a half and two billion dollars. But in the case of the highway authorizations there was a catch clause which provided that in an authorization for the following year, the Highway Department, the Highway Bureau, the Secretary of Agriculture, had to notify the several States before the first day of January as to what their amount, what their share in the authorization for the following year was going to be. Therefore it was not merely an authorization, it was an authorization followed by what they call, legally, a tender, which meant in effect that all the State had to do was to accept the tender and you had, virtually, a contract between the State and the Government and the State could call on the Government to make good on it.

Under that system we have got up in the past few years to authorizations followed by tenders running well over 200 million dollars and, of course, that is a sum which I think most people feel ought to be cut down very much. Any of us who have travelled know that the main highway systems in the country are in pretty

good shape and, in addition to that, in addition to these Federal grants and aid, the Federal Government has given a lot more money during the past four years through WPA for the improvement of farm-to-market roads. The total sum runs so high that it looks as if the time has come to cut the actual annual spending by the Federal Government for highways of all kinds. This message will call that to the attention of the Congress and suggest that this system of making tenders be limited so that you would have merely an authorization which, if not followed by a tender to the State, would leave it wholly to the next Session of the Congress to determine how much actual appropriations would be made, that sum being determined very largely by budgetary considerations.

Q In that connection, Mr. President, have you urged -- there are certain States which do not care to have any more Federal money for their roads, on the ground that the cost of maintenance now is so high that to add additional mileage puts a great burden on the State.

THE PRESIDENT: I don't know of any specific instances, Fred (Essary), but I can well imagine that that is true.

Q (Mr. Essary) I am told that is true in the State of Indiana.

THE PRESIDENT: I know, for example, in some States, that the farm-to-market roads, which were built largely with WPA money in the poorer communities have not been maintained

because they have not had enough tax money locally to pay for the upkeep of the roads.

Q That is what I had in mind.

THE PRESIDENT: Yes. I don't believe, however, that that applies to the hard-surfaced roads.

Q No.

Q Do you recognize any validity in the claim of these highway people that the Government should spend as much on roads as it takes in in road revenues from gas taxes, etc.? Their claim is that no matter how much you spend, the Treasury is still collecting more from the roads than is being spent on the roads.

THE PRESIDENT: Of course you can argue that pro and con interminably.

Q As I recall it, the first indication of this was in Secretary Morgenthau's speech.

THE PRESIDENT: Yes.

Q He also indicated that several other -- there were several other places that expenditures could be cut down, through CCC and Agriculture --

THE PRESIDENT: The other things do not require legislation and this does. The other things are purely a matter of appropriation but on this you require legislation.

Q Is this a step to carry out Secretary Morgenthau's idea?

THE PRESIDENT: Oh, no. The other matters relate to ordinary budget making -- every Department and every appropriation.

Q Do you think it might be suitable in your highway message to say a word or two calling national attention to the advisability of greater caution on the highways of the nation? It is a big subject.

THE PRESIDENT: That is a very big subject, so large a subject that the message would be too long. You mean safety?

Q Yes.

THE PRESIDENT: Of course that is another subject and a very important one.

Q This does not mean the end of Federal aid?

THE PRESIDENT: Oh, my, no. It means reducing the Federal aid, getting back more to the pre-1929 figures.

Q It has not been a 50-50 proposition lately, anyhow.

THE PRESIDENT: Practically not. It has been 50-50 in regard to all of the Federal, the so-called Federal highway roads but, in addition to that, we have spent a great deal of other money through WPA.

Q You said it was around 80 or 90 millions back around 1929. What has it been running about, approximately, since that time?

THE PRESIDENT: I don't know. I would have to ask Danny Bell, but I believe it is nearer 200 million.

Q Two hundred million today?

THE PRESIDENT: Yes.

One other thing here that may be of interest.

It is a report from the chief of the Procurement -- Director of the Procurement Division, Admiral Peoples, in regard to Government supplies of all kinds -- "following a check-up, the purpose being at this time to anticipate the expenditure of current appropriations for this fiscal year for all kinds of supplies that the Government buys so as to stimulate industry at this time." Instead, for instance, of spreading those purchases during the next seven months of the fiscal year, instead of having the amount each month one-seventh of the total, he will contract for all we can use for the entire period during the next month or two. That means of course a slowing up in Government purchases toward the end of the fiscal year but, at the same time, stimulating production during the Winter time.

Q Have you any figures?

THE PRESIDENT: The grand total of Admiral Peoples' figures show between now and the 30th of June additional requirements under existing appropriations for supplies, etc., total about 245 million dollars. That does not mean we will buy the whole 245 millions right away, but we will speed it up.

Q Does that divide into commodities -- general classifications?

THE PRESIDENT: I think so.

Q Can we have that report?

THE PRESIDENT: I don't think you need it because it is too technical. (Reading) "Textiles and their products, including knit goods, etc.;" and then there is 21 million dollars left to buy forest products, including furniture, metal products, chemicals, linseed oil, paints, varnishes, -- it sounds like a tariff bill. You don't want that.

Q When do you expect to leave, Mr. President?

THE PRESIDENT: I hope tomorrow night. I will be gone for about eight or nine days.

Q Mr. President, in connection with business stimulation, I wonder if you could tell us whether you believe that this is the time that Congress should make a revision of those taxes which it is claimed have impeded business?

THE PRESIDENT: What have you been doing, reading the newspapers? (Laughter) Instead of reading the newspaper headlines, read my message. The message was very, very clear. In other words one of the things we want to do is tax revision, and tax revision just as soon as Congress gets ready to do it. Note that well. We don't want to fly in the faces of all those editorial desks that have complained so bitterly and loudly in the past about undigested legislation -- things just handed in by the White House and a rubber-stamp Congress putting it through without considering it. Of course we think

that everything should be adequately and properly considered.

Q One thought in your statement about Peoples, has he been ordered or is it something he can do without an Executive Order?

THE PRESIDENT: No; I am sending it out, not in the form of an Executive Order, but a letter to all agencies.

Q It comes from you?

THE PRESIDENT: Yes.

Q The Navy Department -- Secretary Swanson said in his Annual Report that the Naval construction will be held up by the Walsh-Healey Act. Does this involve that in any way?

THE PRESIDENT: I don't think so. I think that, at the present time, is going along all right.

Q What happens to your policy in positive search of peace now that the Brussels Conference has adjourned?

THE PRESIDENT: Keep on trying, as I remarked the other day.

Q In that connection, do you have in mind to offer the individual service of this country to bring peace between Japan and China?

THE PRESIDENT: Not that I know of.

Q A great many people are quoting your Charleston, South Carolina, speech in regard to the present recession, saying that you had planned it this way. They are

trying to say that you are responsible for this recession.

THE PRESIDENT: The answer is, why not pick out something that I said in 1928 or 1929. What I said was perfectly true at that time. I think the Charleston speech was made in the Fall of 1935 and it was absolutely correct at that time. We were trying to do two things: The first was to give as much in the way of Government stimulation to business as we possibly could and the second was to restore values throughout the United States. That certainly was planned and it certainly was working. The money was going out, the stimulation was taking place and values were being restored and it was absolutely true as of that date.

Q Mr. President, do you plan to see the utility men in the near future for a continuation of the conferences?

THE PRESIDENT: I suppose when I come back there are several more that are going to come in.

Q Have you received a report on the cost of either the House or Senate Farm Bill?

THE PRESIDENT: No.

Q The Civil Service Commission has been here from time to time, indicating that you are taking up something with them. Is there anything you can tell us about it, any news?

THE PRESIDENT: Not yet, excepting we are working towards the definite objective of spreading the Civil Service --

what was it? Upward, outward and downward.

Q One more question, if I may. Is there anything now planned to maintain Government personnel at the present level or to reduce it or change it in any way, shape or form. This town is frantic with rumors that they are going to be cut off the Government payroll.

THE PRESIDENT: The whole thing depends on appropriations, absolutely.

Q You leave it to the appropriations?

THE PRESIDENT: Absolutely. First it is the budget and then it is what Congress does with the budget.

Of course you never can tell. They may reduce the budget downward, or they may revise the budget upward. Of course, practically always when they want to revise it downward, it means more people thrown out of work and if they revise it upward, it means more people taken on.

Q That is as far as you care to go on that?

THE PRESIDENT: Yes. You are just a month ahead on the budget itself.

Q You think the Federal service is not over-manned at the present time?

THE PRESIDENT: Well, of course that is a terribly difficult question. You cannot say yes and you cannot say no. If you had a different system, you could probably get

on with fewer people. If you will go back to some of the hearings that I was involved in when I was Assistant Secretary of the Navy you will be able to see some of the things that I was thinking about at that time. One of the things was to increase the efficiency of the Federal personnel by paying more adequate rewards so that people can make it more of a career with the idea that if they can make good and get to the top, there would be a much better reward than they get at the present time.

That is really one of the secrets of the efficiency of the British Civil Service. They get not only adequate monetary rewards, they get a position in the community. But, of course, tied up with that is the other necessity of the elimination of the less efficient as they go on up, so that a person who will never be particularly efficient won't be able to come in at the age of twenty-one or twenty-two and stay there until he gets to be seventy, just because he has not committed murder.

Did they tell you in the State Department the story about Bullitt's visit to Warsaw and how the story came out?

Q There was a portion of the cablegram they published.

THE PRESIDENT: They told you about it? It just shows how difficult it is, in the face of things like this, to

run foreign affairs intelligently. I would just as soon read this -- keep it off the record because it is just between us girls, but only for the press, it is not a thing for the public.

Q A lot of that was in the Congressional Record a couple of days ago.

THE PRESIDENT: I don't think so. This is the original telegram. (Indicating) (Reading) "I thank you for informing me that Senators Vandenberg and Lewis have expressed an interest in the totally untrue report sent by the United Press with regard to my visit to Warsaw. I communicated at once with Mr. Heinzen, who is in charge of the United Press office in Paris. He said to me that he had had nothing whatsoever to do with the story which had been sent at 4 a.m. by one of his assistants without consulting him in any way."

This did not come out, did it?

Q Yes it did.

THE PRESIDENT: (Reading) "The same assistant, without consulting him, had sent the second story, alleging that he had serious basis for the fabrication. Mr. Heinzen stated that as soon as he had learned of the matter he had sent a message telling the United Press to kill the story, but presumably his message had arrived too late.

"Mr. Heinzen stated that he had questioned his assistant as to the source of the story, and his assistant had replied that he had heard it at 4 a.m. from a Polish newspaper correspondent in Paris, unnamed. Mr. Heinzen stated that he had informed his assistant that if he could not produce a substantial basis for the story the United Press undoubtedly would inform him that he was at liberty to resign. Mr. Heinzen said that his assistant had stated to him last night that he had been unable to discover any further basis for the story.

As you know, my visit to my friend, Ambassador Biddle, had been planned for several months and had no connection with official business. I did not even mention the anticomintern pact to Beck in our conversations. I believe that the Senators interested are entitled to know that the story rests on nothing but a 4 a.m. aberration."

Q That was all in the Record.

THE PRESIDENT: It is in the Record?

Q Yes.

Q He was very kind to use the word "aberration."

Q Will this make you change your designation of such stories to "4 a.m. stories?"

THE PRESIDENT: Yes. (Laughter)

Q What are you fishing for this time?

THE PRESIDENT: Anything I can get.

MR. YOUNG: Thank you, Mr. President.

Q (While press were leaving room) In view of the recession, the number on relief are increasing. Is there any inclination to ask for more relief money?

MR. EARLY: No after-conference questions. You must ask before the conference ends.

(The Press Conference adjourned at 10.55 A.M.)

CONFIDENTIAL
Press Conference #413
Aboard the POTOMAC at the dock in Miami,
December 5, 1937, 1.30 P.M.

THE PRESIDENT: (Referring to paper he was reading)

This is the Treasury Department's bond issue. I guess that is announced from the Treasury, therefore you cannot use it.

Q How do you feel?

THE PRESIDENT: Well, it is still there.

Q What is it?

THE PRESIDENT: I don't know the medical term. Putting it as a layman, I would say that it has not healed and if it does not heal very quickly, they will probably curette it. I don't even know how to spell it. How do you spell it, Ross (Dr. McIntire)?

Q That is not a layman's term, Doctor?

DR. McINTIRE: Scrape would be better.

THE PRESIDENT: They will scrape the bone.

DR. McINTIRE: It just has not healed up the way we think it should so we think we had better get back to where it can be looked over.

Q Have you been running any temperature?

THE PRESIDENT: I haven't except for this. It is still sore. If anybody punched me there I would get sore.

Q You didn't get much sun.

THE PRESIDENT: We did not have an awful lot of sun.

Q We didn't either. (Laughter)

Q It didn't keep you from fishing or anything like that?

THE PRESIDENT: Part of the time. I did not fish as much as some of the others did, otherwise I would probably have caught the most fish and the biggest fish. (Laughter)

Q Who did that, brother Jackson?

THE PRESIDENT: They resent that.

Q John Biggers threw out his leg playing golf.

THE PRESIDENT: His hip?

Q Lifting up in the back swing he sprained his knee.

THE PRESIDENT: Did he have a slipping knee before that?

Q He tried to outdrive Mac.

THE PRESIDENT: He probably did anyway. (Laughter)

Q Mac drove five balls in a row into the water.

THE PRESIDENT: Is it true that Mac captained the golf team?

MR. McINTYRE: I spent a good deal of time coaching the boys. I added fif ty yards to Lawson Little's drive. (Laughter)

Q What did your largest fish weigh?

THE PRESIDENT: I don't know; Bob, what did it weigh? About 25 pounds?

MR. JACKSON: Yes, sir.

Q What was it?

THE PRESIDENT: A Barracuda.

Q Any sail-fish?

THE PRESIDENT: No, we did not go out after the sail-fish. You see, the Stream there is 40 miles off shore and much too rough.

Q Is there anything that you can say on the situation which has developed in Japan and China?

THE PRESIDENT: Only what you got from the State Department already.

Q Are you planning to see the Congressional leaders when you get back?

THE PRESIDENT: I suppose so; no dates, but I suppose so as usual.

Q Any plans for pushing up the schedule on this Special Session, Mr. President?

THE PRESIDENT: I don't know.

Q Have you received any reports on the progress of the Wages-Hours Bill?

THE PRESIDENT: Nothing more than I have seen in the papers.

Q Do you hope to have your original program for the Special Session completed before the regular Session?

THE PRESIDENT: I can only repeat the message to the Congress.

Q I was wondering, in the light of the developments for the last month --

THE PRESIDENT: I cannot change the message.

Q On your way North are you going to have any conferences with Mr. Jackson on the anti-monopoly phase of what might come up at the regular Session in January?

THE PRESIDENT: Between here and January? (Laughter)

Q A continuation of the discussions that was started on the train coming down.

MR. McINTYRE: That is a good paragraph. (Laughter)

THE PRESIDENT: Fred (Storm), you have lost your Italian hand. (Laughter) Who said that I had had any conferences on the way down?

Q Don't you read the papers, Mr. President?

THE PRESIDENT: Oh, oh, yes.

Q We had you conferring from the time you left Washington.

Q In a lighter vein, have Secretary Ickes and Mr. Hopkins developed into better sailors than they were on the Pacific trip two years ago?

THE PRESIDENT: Oh, enormously. We had very heavy weather coming down and very heavy weather coming back yesterday afternoon and last night, and no casualties. That is going some.

Q Have you set any date for Warm Springs, Mr. President?

THE PRESIDENT: I don't know; I haven't set any date.

Q You know, they will have to buy new bunting. It won't be Christmas?

THE PRESIDENT: No.

Q That would be the final blow that would end up in about six divorces. (Laughter)

Q Anything new on anti-trust legislation?

THE PRESIDENT: I don't think there will be any further messages until the third of January. And that has not been written.

Q That is what I thought.

Q Do you expect to come down to these waters later on this Winter?

THE PRESIDENT: Oh, I don't know; I cannot tell at all.

Q Is there anything at all you can tell us a result of having Mr. Ickes and Mr. Hopkins and Mr. Jackson along with you? Can you tell us anything about your general discussions or whether you had any or none?

THE PRESIDENT: We had a good many arguments; in fact, practically, almost one every hour during the waking hours.

Q Over the fishing?

THE PRESIDENT: Over the fishing.

Q As to who caught the biggest fish?

THE PRESIDENT: That is part of the argument as to whether, if the fish had come into the boat, whether it would not have been the biggest.

Q There is one thing that has come up in the past several weeks and that is in regard to unemployment and the social security provisions that go into effect January 1. The speculation has been, without actual factual data,

whether some of the States, with earmarked funds already in the Treasury, would be able to care for the private unemployment. I was wondering whether you had any specific data along that line?

THE PRESIDENT: I haven't, but think that Walter would agree with us that under no possibility, in any State that we know of, would these social security payments take care of the Federal unemployment problems.

Q I meant specifically would it take care of those individuals in the States who are covered already. Not, of course, the general --

THE PRESIDENT: You mean the unemployables?

Q I mean those who are insured. I mean those covered by the unemployment insurance. That is, is it possible that now America might be in the same spot that Great Britain was where they found that they had to contribute -- make an appropriation in the House of Commons -- in the first one or two years to meet it, the drain being so heavy over and above the payments?

THE PRESIDENT: You mean enough money to take care of those insured -- I don't know.

Q No particular survey has been made?

THE PRESIDENT: I don't think so. Do you know anything about that?

SECRETARY ROOSEVELT: There is one being made, John (O'Donnell).

Q I was wondering what the results might be.

THE PRESIDENT: I don't know.

Q In visiting Fort Jefferson, was it just an inspection or is something planned down there to improve it or anything?

THE PRESIDENT: No. I think that you could say that it is one of the very interesting subjects for discussion. Fort Jefferson was built about 1846, along there, started then, and the Federal Government spent over three million dollars on it that we know of.

It is perfectly hexagonal, a six-sided fort, three stories high, and with the most amazing brick-work. It is all brick, no stone. It is the most amazing brick-work you can see anywhere in the world, as far as I know. It has three tiers of galleries and an enormous, big enclosure on the inside, maybe seven or eight acres.

As an example of fort building, nearly a hundred years ago, it is the most outstanding structure that I have ever seen in this country.

The question is, "What to do with it?" Historically, it probably is worth preserving as an example of an 1850 fort. It is a National monument. But what to do with it as a National monument? Is it worth spending money on it to restore some of the brick-work

and keep it from disintegrating? The sea-wall, for instance, has been breached in three places. They are not large breaches but they ought to be filled up if we are going to preserve it. Then there is a lot of brick-work that needs repairing. The gun ports need repairing and the brick needs pointing up. But, when that is all done, who is going to see it? It is absolutely out of the way. It is 70 miles west of Key West.

Q What do you think?

THE PRESIDENT: I don't know. We would like to have suggestions as to some useful purpose to put it to. We thought of the possibility of making it a health place -- after-cure, after-illness, but the trouble is that the climate is pretty bad four months out of the year.

Q Don't you know a lot of people who you would like to put into it?

THE PRESIDENT: Oh, no; I don't think in those terms.

Q I could name a few. (Laughter)

THE PRESIDENT: It really is a problem. It is worth preserving but it is so far out of the way that practically nobody would see it. And we are tied up a little bit on the possibility of using it as a fishing place and a place for sightseers. The question

is whether Key West develops sufficiently so that there will be enough people going there during the tourist season to make it worth while.

Q Do you think Key West is going to develop when the highway is done?

THE PRESIDENT: I hope so, very much. It has always been my hope. And, of course, the development of Key West would help the development of Miami.

Q You might make it an Eastern Alcatraz. It served as that at one time.

THE PRESIDENT: They had Spanish War prisoners in there and, before that, they had Civil War prisoners. They had a thousand prisoners at one time.

Q Had you planned to visit the National park area in the Everglades?

THE PRESIDENT: We hoped to go up to the Everglades but it was too rough.

Of course we are waiting hopefully on the State of Florida to go ahead with the creation of the National park. Obviously, we are not going to sit by indefinitely with a law in our hands creating the Park unless the State of Florida does its share. Senator Pepper is very much interested in it and is going to do what he can to push the acquisition of the needed land. I think that the statute has been on the books now for three years.

Q Yes, sir; I believe it was 1934.

Q The Senator is also, I gathered, still interested in the Florida Ship Canal as a measure of National defense. As a measure of National defense, sir, do you think that the Canal --

THE PRESIDENT: I would not emphasize that end. Of course the Canal would probably be useful in time of war but the thing to emphasize is the number of tankers we saw going around the Dry Tortugas, all bound for points North of the proposed Canal, and it is not nice navigating water during certain periods of the year. You would not choose to take a tanker through there if you could go through a canal.

Q On the question of oil tankers, sir, the immediate advantage would go to those companies whose oil comes from Mexico and would lead to the disadvantage or non-advantage of those that come from South America, of course. Hasn't there been an argument about that?

THE PRESIDENT: Of course the great bulk would come from Texas points.

Q Would another appropriation be sought for the Cross-State Canal?

THE PRESIDENT: I don't know; that is up to the Congress.

Q There have been some complaints on the writing of the bulletins, lack of adjectives and color in them; nothing about cerulean skies and azure seas.

THE PRESIDENT: My Lord, we had to give you something to do and in the two days coming down I coached Fred (Storm) on adjectives. I thought that he would handle that all right. He must have had at least 400 or 500 adjectives.

Q (Mr. Storm) I gave the boys the black sheets. They had everything in there.

THE PRESIDENT: Don't blame us then.

Q One more thing. An ambitious young man in Washington who aspires to be President of the White House Correspondents Association has been beseeching me with messages to find out if March 12 would be acceptable for the White House Correspondents' Dinner. It seems to be the only date the Mayflower has open.

MR. McINTYRE: It has been checked and is okay.

THE PRESIDENT: It is okay then.

CONFIDENTIAL
Press Conference #414
Executive Offices of the White House
December 7, 1937 - 4.05 PM

(There was some pre-conference conversation with respect to the activities of Mr. McIntyre and the cofrespondents in Miami.)

MR. DONALDSON: All in.

THE PRESIDENT: What is the news since I went away?

Q Mr. President, there is a report from Berlin that Ambassador Dodd has submitted his resignation. Do you know anything about that?

THE PRESIDENT: You will have to ask the State Department.

Q Mr. President, have you heard about the charges that the National Labor Relations Board is stepping on the toes of the freedom of the press?

THE PRESIDENT: Only what I have read in the headlines. I haven't even read the stories.

Q Are you going to look into them?

THE PRESIDENT: I suppose I will hear about it.

Q Will you wait until they report, or will you start an investigation of your own?

THE PRESIDENT: I don't know.

Q Mr. President, have you anything to say about the progress

of the inquiry into the cost of the five-day week in Government service?

THE PRESIDENT: That has not come back, Earl (Godwin). I don't know where it is.

Q The business recession apparently is getting worse. Can you tell us what your plans are to check it?

THE PRESIDENT: On number one, it is an assumption and, number two, don't tie my hands.

Q You think it is an assumption?

THE PRESIDENT: Well, people argue it both ways.

Q Mr. President, have you authorized the Department of the Interior to conduct an investigation into the political and economic conditions in Puerto Rico?

THE PRESIDENT: I never heard of it.

Q Mr. President, did you discuss --

THE PRESIDENT: Political and economic conditions? They have for some time been looking at the economic conditions; that is an old story.

Q Mr. President, did you discuss the A. F. of L. and C.I.O. situation with Miss Perkins today?

THE PRESIDENT: No.

Q Do you intend to continue the existing silver proclamation or will you issue a new proclamation continuing the

price of domestic silver at the present price per ounce?

THE PRESIDENT: You are twenty-four days ahead of time. I think the present proclamation is in effect until -- when?

Q The end of the month.

THE PRESIDENT: The 31st of December. I will probably make an announcement on the 23rd or 24th of December.

Q Can you tell us whether there will be another proclamation?

THE PRESIDENT: I don't know; that will be part of the news.

Q Apropos of Ambassador Dodd, have you any diplomatic changes to announce?

THE PRESIDENT: No more than usual. There are always some vacancies and always some changes.

Q None immediate?

THE PRESIDENT: I don't know.

Q Have you any comment to make on the exoneration by the Board of Tax Appeals of the late Mr. Mellon, against whom there were charges of defrauding the Government?

THE PRESIDENT: I have not read it. I only read the story.

Q Secretary Roper and Secretary Wallace, Mr. Jesse Jones, among other people, have made speeches recently discussing taxes and tax revision, and it has led to considerable confusion. Would you care to discuss tax revision at all?

THE PRESIDENT: I don't think there is anything to add to the message. I don't think there is anything to add to what I said in the message to Congress. It is pretty clear.

Q Mr. President, are you considering sending the fleet out to Honolulu to be based there for some time in the near future?

THE PRESIDENT: No, no. The fleet schedule was announced -- when? It was announced quite a long time ago, early in the Fall. I don't think it has been changed.

Q We learn that two tenders are to be built in private yards and the usual procedure is to have one built in a government yard. Can you comment on that?

THE PRESIDENT: Has it been announced by the Navy Department?

Q Yes.

THE PRESIDENT: I understand that the bids were lower than the Navy Yard bids and that this carries out the theory of the law because, in the past year, we have given more than fifty percent to Navy Yards, both in numbers of ships and, of course, a great deal more in terms of tonnage because both of the big battleships went to Navy Yards.

Q Those bids by the New York Shipbuilding Company were from two to two and a half million lower than the estimates

furnished by the Navy Yards.

THE PRESIDENT: Were they?

Q I wonder if you would comment on how a private yard can build a ship so much cheaper.

THE PRESIDENT: I don't know. It is just one case where the private bids were infinitely lower than the Navy Yard bids. I don't think any comment is necessary.

Q In connection with those bids, you received a petition signed by several thousand school children asking you to give consideration to Camden Yard. Wasn't that somewhat unusual with respect to awarding Navy contracts?

THE PRESIDENT: No. Shipbuilding yards and Navy Yards resort to everything, mothers, children, politics, everything else. Nothing unusual in that.

Q Mr. President, are you prepared to announce today the appointment of Mr. Frank, Jerome Frank, to one of the vacancies on the SEC?

THE PRESIDENT: I haven't discussed it at all.

Q Mr. President, can you tell us how the tooth is?

THE PRESIDENT: The tooth is coming along all right. They lanced it this morning and it is coming along all right.

Q Can you tell us what you discussed with Secretary Perkins today?

THE PRESIDENT: Oh, all kinds of things; some interesting and some routine.

Q I wonder if you would care to amplify that at all.

THE PRESIDENT: No, I don't think so.

Q Do you have any further conferences scheduled with utility executives?

THE PRESIDENT: No specific ones. Haven't made any dates ahead; want to see how the tooth comes along for the next few days.

Q Have you read Mr. Wilkie's memorandum to you?

THE PRESIDENT: Yes.

Q What do you think of it?

THE PRESIDENT: I think it was very interesting.

Q Do you think he offered very much?

THE PRESIDENT: I think it was very interesting. (Laughter) I am hoping to get a chance to do some talking about it to various people and maybe, some time later on, I will go into some of the details of it, but I don't know when.

Q Any comment on the Supreme Court decision yesterday on tax immunity?

THE PRESIDENT: The West Virginia case?

Q Yes.

THE PRESIDENT: I haven't had a chance to read the whole

decision. It is a very interesting subject and of course it is not ended yet because only certain phases of the problem were decided by that opinion. The thing on which there is a great deal to be said on both sides appeared in the argument of the case.

Q Chairman Kennedy of the Maritime Commission has recommended putting Maritime labor disputes under a board similar to the National Mediation Board. Have you any information on that?

THE PRESIDENT: I did not know he had.

Q Mr. President, have you any comment on the two farm bills -- the situation developing over agricultural legislation?

THE PRESIDENT: I don't think so. I think the only comment I could make is that our old friend Mark Sullivan has not gone to jail yet. (Laughter)

Q (Mr. Sullivan) I am still able to be one of your friendly ambassadors, Mr. President.

THE PRESIDENT: Mark was starting to worry because when a fellow thinks about going to jail all the time, sometimes he might go. I will keep you out, it is all right. I have got a pardon all written out on my desk.

I bet my potatoes, the ones I grow at Hyde Park, are just as good as yours. We will swap potatoes some day.

Q (Mr. Sullivan) That is all right.

Q Do you expect some appointments to the SEC soon?

THE PRESIDENT: I don't know when.

MR. STORM: THank you, Mr. President.

(The Press Conference adjourned
at 4.15 PM)

CONFIDENTIAL
Press Conference #415
Executive Offices of the White House
December 10, 1937, 11.05 AM

Q Anything on the London Ambassadorship yet?

THE PRESIDENT: No, no vacancy.

Q Mr. Jones of the RFC had a conference with you, I suppose on the railroad situation, this week. Have you any comment to make?

THE PRESIDENT: No, except I think we all feel that the quicker we can get a final determination the better on the present rate problem. That is all I can say; that is all anybody can say.

Q Did he take up the question of further loans to the railroads at this time? In other words, the rescinding of your previous order?

THE PRESIDENT: We discussed it in relation to one or two individual roads where there seems to be a need for a very small amount of what might be called temporary financing pending a determination by the ICC. Any amount involved would be very small.

Q Mr. President, are you considering reviving anything like the Federal Co-ordinator of Transportation?

THE PRESIDENT: No.

Q Mr. President, when you say there is no vacancy in the London Ambassadorial post, do you mean that Bingham has not resigned, or that you have filled the post?

THE PRESIDENT: There is no vacancy in the London post.

Q Do you expect one?

THE PRESIDENT: I don't know.

Q Mr. President, have you accepted the resignation of Ambassador Dodd at Berlin?

THE PRESIDENT: Something is coming along soon, but we are not ready to announce it and have nothing on it.

Q Couldn't you say as much, sir, about the London post?

THE PRESIDENT: No.

Q That something is coming along?

THE PRESIDENT: No.

Q You are in possession of the resignation, are you not?

THE PRESIDENT: There is no vacancy in the London post.

Q What constitutes a vacancy? (Laughter)

THE PRESIDENT: Of course, as you know, I have got to talk to you off the record, which I hate to do because so many of you don't like off-the-record stuff. It is merely a repetition. On any question of diplomatic posts there can be from the Government no information ahead of time when a new man is to go to a post. That is perfectly

obvious. There can be no information from the Government, you all understand that, and you all know why. After a choice is made you have to go to the other government and get -- what do they call it?

MR. EARLY: An agrement.

THE PRESIDENT: Yes. There cannot be any information ahead of time on any diplomatic appointment. It is the old story.

Q Getting back, sir, to the railroads for a moment: Is there anything you can see that the Administration may do for the relief of the railroads? Is it entirely in the hands of the Interstate Commerce Commission?

THE PRESIDENT: Fred (Essary), I would put it this way: That the first responsibility is on the ICC and of course, as we all know, the railroad situation is in many ways the most difficult we face. You might go back and read, for instance, what Joe Eastman said about the problem away back in 1933 or 1934 when he first went in as Co-ordinator. The situation did improve temporarily with the increase of business but I don't think anybody in the ICC felt that we had the permanent solution. And we are not very much further forward towards a permanent solution today than we were then.

Of course, the last thing we want to do is to have the Government take over the railroads. Also, obviously, the roads of the Nation cannot operate through receivership. It is an impossible permanent situation. There has been a great deal of study given to it. With the objective of continued private operation, there are really two principal problems: One is the financial one. If, for example, a railroad is capitalized for two hundred million dollars -- I am talking about bonds on which the interest has to be paid, I am not talking about stock -- and it has only enough earning power for a capitalization of a hundred million dollars, what do you do? Big question mark. Then the second point is the question of competition. There grew up in this country over a very long period of years a perfectly natural thing. The shippers in a given community felt that if they had two railroads to choose between that they would get better service even if the freight rates were the same, but in so many of those cases one railroad, from the point of view of remaining solvent and from the point of view of carrying the freight, could handle the whole business. So I think that the country is gradually coming to an elimination of competition between parallel railroads just

for the sake of competition, the roads being equal in service.

Now, if that is the trend today it does mean, in all probability, further consolidation and also the abandonment of more trackage in those localities where the great bulk of freight and passengers could be handled by highway. There is still a very large mileage, railroad mileage, in the country which, in my judgment, could be abandoned. You can go into almost any state and find a road that runs two trains a day, one up and one down. From the economic point of view that cannot continue.

But, as I say, we have no specific, definite plan and, since the ICC is principally charged with the problem, the ICC ought to originate some kind of a plan that seeks the objective of private management, private ownership and, at the same time, solvency, which is a necessary corollary. You cannot keep a road in receivership forever.

Q What happens to the investment in these bonds, these one hundred million dollars of bonds?

THE PRESIDENT: I ask you, Pete, what happens?

Q Well, the insurance companies usually hold those bonds?

THE PRESIDENT: Yes, and lots of widows and orphans hold

them too. But if your railroad has two hundred million dollars of bonds outstanding and over a long period of years it apparently proves that with private management or with court management, or receivership management that it can only earn interest on a hundred million dollars, I ask you, what can you do about the extra hundred million dollars?

Q That is what I asked.

THE PRESIDENT: That is what we all ask.

Q If you take out the hundred million dollars, won't the insurance companies be hard hit?

THE PRESIDENT: Yes, and the widows and orphans. Suppose you had two hundred million dollars and the roads can only earn a hundred million dollars, what do you do?

Q Some people say the Government ought to take the railroads over and pay the interest on those bonds.

THE PRESIDENT: If you do it for them why not do it for an oil company?

Q That might come. (Laughter)

THE PRESIDENT: What is the final answer? It is an investment just like the railroads, or gold mines, or a busted manufacturing company, or an out-of-date cotton mill in New Bedford, and so forth and so on.

Q Something was said about subsidizing the railroads. What about that?

THE PRESIDENT: Why railroads? Why not the cotton mills? Why not everything else? You are working toward state socialism.

Q (from the rear of the room) You mean you are working toward state socialism?

THE PRESIDENT: No, that question was --

Q Is it possible --

THE PRESIDENT: I carefully prefaced the sentence with the word "you". I said, "You are working toward straight state socialism."

Q Is it possible that our Federal Government will do something like was done in Canada between the government owned Canadian National Railway and the privately owned Canadian Pacific Railway?

THE PRESIDENT: Not that I know of.

Q They consolidated stations for use by both railroads in order to have economy.

THE PRESIDENT: Well, that is hardly a consolidation.

Q Is it possible that they might combine under a plan which we could put into effect?

THE PRESIDENT: They did something on that already. There has been a good deal of consolidation with respect to railroad

yards. In my judgment it ought to be continued.

Q Mr. President, are you sympathetic with the policy adopted by Straus of writing off the complete cost of construction in housing?

THE PRESIDENT: I am not familiar enough with it to answer it; I don't know.

Q Do you have any comment as yet on the charge against the Labor Board?

THE PRESIDENT: What was that?

Q The criticism of the Labor Board?

THE PRESIDENT: Same answer; I don't know enough about it.

Q Either off the record or on the record, can you tell us something in regard to the business situation as you see it?

THE PRESIDENT: I could not do that extemporaneously.

Q Even for guidance?

THE PRESIDENT: People don't like guidance.

Q They need it.

THE PRESIDENT: There have been a good many protests against off-the-record talks, as you know.

Q I mean just the economic situation.

THE PRESIDENT: I don't think we have any time. It would take from now until three o'clock if we were to cover the field.

Q Mr. President, Lindbergh is in Washington today. Has he an appointment with you?

THE PRESIDENT: I don't think so.

Q Governor Landon also?

THE PRESIDENT: He is coming in at half-past four this afternoon.

MR. STORM: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #416
At the White House

December 14, 1937 - 4 P.M.

THE PRESIDENT: Well, what's the news?

Q What do you say?

THE PRESIDENT: None.

Q Anything on the Panay incident, Mr. President?

THE PRESIDENT: Nothing further. You are probably getting from the State Department all the dispatches as they come.

MR. GODWIN: Mr. Young and I have a small local question we would like to clear up before the experts start, Mr. President. Nathan Straus has $3,000,000 for District of Columbia housing. He says you are the boss of that money. Has that come to you?

THE PRESIDENT: Not yet. Under the law, does the District have to put up 10 percent?

MR. GODWIN: You have the whole say. Mr. Straus was rather anxious about it.

THE PRESIDENT: I haven't got it yet, but you might check on that and see whether the District has to put up 10 percent. I don't think I could waive that.

MR. GODWIN: I don't think so, either.

MR. YOUNG: They haven't got it.

Q Any new public utility conferences, Mr. President?

THE PRESIDENT: One coming in next week. I told Mac to plan for it.

Q Haven't heard from the Japanese Emperor, have you, Mr. President?

THE PRESIDENT: I haven't had anything come in at all today except what is given out by the State Department.

Q Was it your intention to suggest that you would like to get an answer from the Emperor?

THE PRESIDENT: I think what has been given out stands for itself--by itself.

Q Will this make any change in our evacuation of the danger zone?

THE PRESIDENT: No.

Q Will you please tell us your present attitude on placing commercial aviation under the Interstate Commerce Commission?

THE PRESIDENT: Oh, it's a long story; I don't know enough about it to talk to you about it. There is some kind of report coming out.

Q Secretary Roper's committee report?

THE PRESIDENT: I think that is the one.

Q Will you oppose the idea, Mr. President?

THE PRESIDENT: I cannot talk about it until the report comes out.

Q Mr. President, can you tell us something about your conference on taxes with the House Ways and Means Committee?

THE PRESIDENT: Nothing more than they told you.

Q Did you see the Surgeon General of the Navy yesterday? He was on the list.

THE PRESIDENT: Yes.

Q In connection with the hospital?

THE PRESIDENT: Yes.

Q Is there anything you can say about that?

THE PRESIDENT: Only this: We looked over various designs and types of

plans. There is always a good deal of question in building a hospital as to whether you should go to the vertical or horizontal plan.

Q No site decided on?

THE PRESIDENT: No; the general idea we all agreed on was that it would be a combination of the vertical and the horizontal; in other words, to make it more clear, a rather tall central building that would have all the things like operating rooms and the cooking facilities and staff--a central place--and then low pavilions going out from that. Being a naval hospital, you have to think of the possibility of war. In the event of war, it could be expanded to four or five times its normal peace capacity, using this very tall central building as the main headquarters. So they are going ahead; and they are probably going to get some architectural competition, to see what the best type of building is--the type that could go on almost any one of the sites that have been proposed.

Q Mr. President, is the latest form of the wage-hour bill satisfactory to you?

THE PRESIDENT: I don't know what the latest form is. I cannot discuss pending legislation, because it changes every day.

Q Mr. President, there is some talk in the New England delegation about the Federal Government bearing a hundred percent of the cost of the Connecticut Valley Flood Control. Have you taken a position on that?

THE PRESIDENT: I hadn't heard about it at all. A hundred percent?

Q Yes.

THE PRESIDENT: That's interesting.

Q Have you changed your attitude on State participation?

THE PRESIDENT: As the dean says, it's liberal.

Q What are you hearing about business, Mr. President?

THE PRESIDENT: Oh, it depends on what paper you read! (Laughter.)

Q Don't you have some other sources of information about business?

THE PRESIDENT: Lots of them!

MR. YOUNG: Thank you, Mr. President!

Q Mr. President, are you any closer to filling the Eilenberger vacancy as Third Assistant Postmaster General?

THE PRESIDENT: I don't think I have mentioned that to Jim for about a month; I'll have to do that tomorrow.

Q Is there a Pennsylvanian under consideration for that position?

THE PRESIDENT: One from <u>every</u> State! (Laughter.)

Q Today Senator Guffey was in to see you in connection with a prospective visit to Philadelphia some time in the spring, there being three occasions on which you have been invited.

THE PRESIDENT: Only three?

Q Yes.

THE PRESIDENT: I thought there were four or five. I've got the Swedish Crown Prince coming, too; did you count him?

Q Yes, I was thinking about that. There is the Franklin Institute and the Sesquicentennial of the Constitution.

THE PRESIDENT: Well, all I can say is that in the calendar year 1938 I hope to go to Pennsylvania; I will even go so far as to say that I hope to go to Philadelphia; that is as far as I can go.

Q What about the Assistant Secretary of Labor?

THE PRESIDENT: The same thing.

MR. YOUNG: Thank you, Mr. President!

The Press Conference then adjourned.

CONFIDENTIAL
Press Conference #417
At the White House,

December 17, 1937 --10:45 A.M.

THE PRESIDENT: Well, are there any questions this morning?

MR. YOUNG: We have a few on tap.

Q Mr. President, could you tell us what you will take up with Secretary Morgenthau today?

THE PRESIDENT: I don't know. He told me he wanted to see me this morning. I suppose it is budget--general budget matters.

Q Mr. President, General Ashburn yesterday in Mobile stated that he had rejected an offer for the sale of the government barge lines, and also he is quoted as saying that this was done in the light of public reaction from the President on down, which apparently, he says, favors the retention of the barge lines in government ownership. Could you comment on that, Sir?

THE PRESIDENT: I don't know much about it. I haven't thought about it for a year. About a year ago, I think, I talked to the General and the Secretary. Things seemed to be going along awfully well. They are in the black, and there seemed no particular reason for their sale. As long as they are going on so well, and are in the black, why sell them?

Q Of course that goes back to the original theory: If the Government could make money, private operators could make money.

THE PRESIDENT: Yes, if you have a thing that is going awfully well, why swap horses?

Q Do you recall, sir, whether that proposition had to do with both the

Mississippi and the Warrior River, or one only?

THE PRESIDENT: I don't know. I have no idea. I hadn't heard about the bid.

Q Mr. President, is there a vacancy in the London Embassy yet?

THE PRESIDENT: No.

Q Have you any other diplomatic assignments to announce, or will there be some soon?

THE PRESIDENT: Not now.

Q Could you tell us, Mr. President, who the utilities man is coming in next week?

THE PRESIDENT (turning to Mr. McIntyre): Do you know?

MR. McINTYRE: No.

THE PRESIDENT: We will tell you as soon as the appointment is made.

Q Mr. President, Chairman Jones' statement yesterday indicated that you had revoked previous orders that there should be no more loans to railroads.

THE PRESIDENT: What did he say?

Q That there will be some small ones--about twenty-five millions, I understand.

THE PRESIDENT: There has been no revocation of instructions.

Q In your message to Congress you said you had told R.F.C. not to make any further commitments other than for administrative purposes.

THE PRESIDENT: That was a general rule; and I said about six weeks ago there were certain exceptions that would have to be made in the case of emergencies. I told you one week ago he was going to make some small loans to roads.

Q Does the same thing apply to P.W.A., Mr. President?

THE PRESIDENT: No, except there may be one or two cases in P.W.A. where money is hung up because of litigation; but that falls again into a different category. Or there may be some case where there has been some other form of moral obligation, but I don't know of any.

Q Mr. President, have you received any reply from Japan on your message regarding the Panay?

THE PRESIDENT: You will have to ask the State Department.

Q Mr. President, have you received a report of the interdepartmental committee on aviation legislation?

THE PRESIDENT: I don't think so; I think they are still talking about it.

Q Mr. President, have you seen any report from those who have been studying the five-day week plan for government agencies?

THE PRESIDENT: No, I have not; I will ask Bell about it when I see him.

And your local question of slum clearance in the District--anticipating your question, Russell--there is going to be a conference I think tomorrow or Monday between Ihlder and Jesse Straus [Nathan ?] to talk the problem over. I don't think there is any money available at the present time, but they are going to try to work out some method of continuing the slum-clearance work in the District. It is somewhat difficult to do it if there isn't any money.

Q Do you mean in Straus' fund?

THE PRESIDENT: Yes; that is just a tentative guess on my part. They are going to get together and see if there is any available.

Q They seem to think there is. Maybe they are merely optimistic.

THE PRESIDENT: That is what they are going to get together about.

MRS. CRAIG: Mr. President, don't you think a referendum on war is consistent with the representative form of government?

THE PRESIDENT: I suppose the easiest way to answer that is just to say No, and stop there--stop right there. You put the question very well.

MRS. CRAIG (after a moment's hesitation): I--thought about it all night!

(Prolonged laughter.)

THE PRESIDENT: That's all right!

MR. YOUNG: Thank you, Mr. President!

The Press Conference then adjourned.

CONFIDENTIAL
Press Conference #418
At the White House,

December 21, 1937 -- 4:12 P.M.

THE PRESIDENT: Well, I don't think I have got anything except a memorandum for the Washington, D.C., papers; you wanted to know about this housing problem, alley dwelling, et cetera, and it still is in a completely foggy condition.

Q Foggy Bottom? (Laughter.)

THE PRESIDENT: The only thing I have been able to deduce so far is that the U.S. Housing Authority has no funds available for me to allocate at the present time. No. 2, "the U.S. Housing Authority is authorized to raise funds through the sale of bonds to be used as loans, such bonds and the interest thereof to be repaid from loans by completed projects. The bonds, however, are on a loan basis, and the alley dwelling statute does not empower it to receive money except on a grant basis. Therefore, it is impossible, under present conditions for the Housing Authority to loan money, even though directed by you."

Q Not without some change in the law or a direct appropriation from Congress, the District Bill, or something like that?

THE PRESIDENT: No.

Q Are you going to recommend something like that, sir? You have the authority.

THE PRESIDENT: Authority to recommend to Congress?

Q No, the authority to manage the District's money. It can't be spent unless you authorize it.

THE PRESIDENT: It has got no appropriation.

Q The District Alley Dwelling Authority, as a Federal institution, reports to you. That is entirely separate from Nathan Straus' outfit. If you can't get any money from them, you can authorize it.

THE PRESIDENT: I haven't the money.

Q You, being the authority, are you going to get him some money?

THE PRESIDENT: Am I going to recommend some.

Q Yes, sir.

THE PRESIDENT: That is the thing I am working on at the present time. There are two theories on this slum-clearance; one is the theory of the U.S. Housing Authority, under which the actual rentals do not pay out the money spent. It is supplemented by Federal grants--that is the easiest way of putting it--over a long period of years. The Alley Dwelling Authority work so far has been based on the rent paying out the actual construction; and it has worked pretty well in the District. I am inclined to think that as long as it works all right on that method in the District, we might as well continue.

Q With what they have?

THE PRESIDENT: With the plans that they have and getting them additional money to loan.

Q From the Straus fund?

THE PRESIDENT: I don't know.

Q We don't want to take up this entire Conference, Mr. President.

Q I think we would all like to be straightened out with reference to your conference with Mr. Taylor and Mr. Phillips.

THE PRESIDENT: What did they tell you?

Q They told us very little.

Q They said, Get it inside.

THE PRESIDENT: I know, but they must have told you something.

Q They said it was a very helpful conference.

Q They said you discussed the decision handed down by Associate Justice Brandeis in the Southwestern Bell Telephone case. Could you explain that to us?

THE PRESIDENT: Did they give you a copy of it--the language?

Q No, sir.

THE PRESIDENT: I would, if I had a copy of that particular sentence that we did talk about; but there is no use of trying to talk about it without the language.

Q What does it mean?

THE PRESIDENT: You want my theory of the "prudent investment" theory? That is too long.

Q They said they went along with the prudent investment theory on the basis of Justice Brandeis' decision.

THE PRESIDENT: Substantially, yes. We only talked about one sentence in the decision. In other words, if you start in and read that decision, you might pick up a little different sentence. I cannot discuss it unless I have that sentence.

Q Could you give us a few words out of it so we could spot that sentence?

THE PRESIDENT: Possibly; I was trying to remember something to identify it by, to this effect: It is the actual money--not capital, but money--put into the plant, less any items which, after appropriate check-up, hearing, et cetera, are found to be dishonestly put in, or uselessly put in or, well, the other thing--it is a synonym for

what we call write-up money. Those exceptions were intended at the time to cover certain practices engaged in by a comparatively small minority of companies in the old days of consolidations and the creation of holding companies. They did not relate to the great majority of operating companies. And those exceptions to the cash investment--the money investment--were intended to cover certain practices that were just always believed to be "contrary to Hoyle," such as paying three prices for a property, or paying a large amount of graft to a board of aldermen, or buying a property at a very low price but not developing it, holding it until much later when it had become a great deal more valuable although nothing had been done to increase its value; or you could go into the capital end of it, putting down on the books as assets a great deal more than the actual cash expended. That is the write-up. Now, all those things were intended, as they read it and as I read it, to be things deducted from the actual cash put into the property.

After making that deduction where necessary, the result was prudent investment theory, or whatever other name you give it. And we were all substantially agreed that this is a pretty good rule of thumb to go on. And, incidentally, probably the large majority of operating companies in this country would come, on their present capital set-up, to perhaps not the exact sum but an approximation of the sum arrived at by that method. Mind you, I was talking to the heads of two operating companies.

Then another thing we talked about was their problem; they need probably pretty soon, some more additions to plant, and they said

their trouble was like the trouble of some of the other people that had come in to see me, of getting junior money--in other words, equity money. It was easy to sell bonds, but that would make the bonded part of their structure topheavy, and a lot of people do not want to invest in the junior money securities. I asked them, "Is the Federal Government interfering, either in Philadelphia or Pittsburgh areas?" They said, "No, not at all." I said, "Well, is there any other reason?" And they said, "No, we frankly don't know any reason except fear." I said, "You consider the common stock of your companies a pretty good investment?" "Yes." "I am not telling you it isn't, am I?" They said, "No."

Then there was a general agreement that a large part of this fear has been caused by this very small minority of people who have tried to give the public an impression--including writers--that the attack is on all the utilities, whereas the attack is on abuses perpetrated by a small minority of people among the utilities. So we came out to a pretty general agreement.

Q Mr. President, you would regard these two gentlemen who were in as among the enlightened industrialists?

THE PRESIDENT: I would say so, yes; in other words, belonging to the overwhelming majority of them. I told them one of the stories I have used lately--I may use them again--as affecting the general situation. A fellow came in to see me from Philadelphia a little while ago. He has an exceedingly successful manufacturing business, and he pays good wages. He operates under a collective bargaining system with great success. I said to him, "What do you think about

the problem of raising the purchasing power of the people in this country in interstate industries that are below a decent level?" He said, "I am absolutely in favor of a minimum wage law." I asked him, "How about maximum hours?" "I am absolutely in favor of preventing unholy hours." I said, "Then you would be in favor of a national wages and hours bill?" He said, "Yes." I said, "Is that partly because you think it would prevent the South from competing with you?" He said, "Oh, no; paying a living wage in the South isn't going to hurt the South, because by paying a little more they will get an equivalent increase in efficiency, and I think every industrialist, including most southerners, agree to that."

I said, "That is very interesting; so you are for a wages and hours bill?" "Yes." I said, "If I get you fifteen or twenty minutes on a national hook-up, will you tell that to the country?" He said, "Oh, no, I couldn't!" I said, "Why?" He said, "My directors wouldn't let me." I said, "In other words, a case of fear." He said, "Yes, frankly, it is a case of fear--not fear of the Government but fear of my own associates."

Three days later a friend of mine from New England, who manufactures a kind of tools to be sold in country stores--screwdrivers and such things, rather heavy, substantial tools--came in. Most of his trade is in the rural districts in this country. I said, "How does your business fluctuate with crop prices?" He said, "It fluctuates with them absolutely, up and down. The better the prices, the more I sell in farming areas." I said, "Are you in favor of stabilizing crop prices to keep them from dropping so low that the country people have no purchasing power?" He said, "I am in favor

of a crop bill." I said, "If I get you fifteen minutes on a Yankee network, will you say that over the radio?" "My God," he said, "how could I do that? I would lose my friends! In other words, fear-- fear of my friends, not fear of the Federal Government, of course not."

That is the psychology; and that psychology has been not only inculcated but fostered by a large percentage of the United States-- put that down, too.

Q Mr. President, Senator Bailey expounded at length yesterday on an experience he said he had in which he found it impossible to invest $10,000 for an old lady so as to get $400 a year, because there was no place it would be safe to invest it. Would you comment on that situation?

THE PRESIDENT: I had a case like that for a friend of mine. I told them I wasn't in the investment business at the present time.

Q Mr. President, before we leave these utility heads, as I understood it, one of the things you were going to talk about to them was the possibility of their making extensions and putting folks to work. Is there anything to say about that?

THE PRESIDENT: Yes; all these companies will, in the very near future, increase their force. They will be looking for money, too, because they have to finance a proposition of that kind eighteen months or two years before the actual output.

Q Mr. President, what are the papers to gain by fostering a fear psychology?

THE PRESIDENT: That is what I have been wondering; and most of the country has, too.

Q Mr. President, if we could return to that District matter--(laughter) is that letter signed by Mr. Ihlder and Mr. Straus?

THE PRESIDENT: Oh, no, it is not a letter--it is a memorandum.

Q Mr. President, on the day after the Panay incident, the hope was expressed that the press and the public would support your policy in handling the situation.

THE PRESIDENT: Yes.

Q I would like to ask whether, after eight days, you feel that has been done.

THE PRESIDENT: As a general proposition, yes.

Q Mr. President, have you given any thought toward increasing the contemplated 1939 construction program?

THE PRESIDENT: Don't ask me that today. I may have a story. Just withdraw the question. I might have something, just between ourselves, between now and the first of the year.

Q Will you tell us what you discussed with the Chinese Ambassador?

THE PRESIDENT: Many things. That is all I can tell you, George.

Q And your conference with Mr. Hull today, sir?

THE PRESIDENT: Same thing.

Q There was a very interesting exchange of communications given out by the State Department--Governor Landon's letter to you and your reply; have there been any similar letters from other persons that you might care to give out?

THE PRESIDENT: Yes, I have had a great many; I had an awfully nice letter from Frank Knox. I didn't give it out because it contained other things that didn't relate to that particular subject.

Q Mr. President, will you tell us what you discussed with the group of Senators last night?

THE PRESIDENT: Cabbages, sealing wax, et cetera--everything, the whole range.

Q Mr. President, there have been reports that the C. I. O. and A. F. of L. negotiations collapsed this afternoon. They were meeting down at the Willard. Have you any comment?

THE PRESIDENT: My only comment is that I hope the rumors aren't true.

There have been several reports that the negotiations have collapsed.

Q They have collapsible negotiations! (Laughter.)

Q Mr. President, getting back to the other subject--the utility men--who arranged that conference?

THE PRESIDENT: Mr. McIntyre.

Q At your request?

THE PRESIDENT: Yes.

Q Mr. President, have you any further conferences to hold with utility men?

THE PRESIDENT: I have a gentleman coming on from Southern California. I don't know when he is coming--I guess probably not until after Christmas. I don't want to keep anybody away from home on Christmas.

Q Can you give us his name?

THE PRESIDENT: Mac will look it up.

Q Have you heard from the Japanese Government?

THE PRESIDENT: I have had nothing that you people haven't had.

Q Has a report from the Naval Board of Inquiry been submitted to you?

THE PRESIDENT: That has not come in.

Q Mr. President, there is now a vacancy in the London Embassy; is there anything you can say about it?

THE PRESIDENT: No, Fred, except to say something disagreeable off the record. This is off the record, because it is just between us. I knew when Bob Bingham got back to London that he was pretty dangerously ill--seriously ill--and he telephoned me from London and asked if he could come home and go to Johns Hopkins. He told me at that time, verbally, that if it meant a serious operation and a long illness, he would resign and not go back to London at all; and that if it didn't involve a serious operation or a long illness--in other words, if he was just checked up on for a few days--he would go back to London and expect to resign early in the year. In other words, I knew he was going to resign at the beginning of December or the end of November, and that is why I couldn't talk about the question of his successor; and, frankly, I was very, very sorry to see the story break, because I didn't think it helped for old Bob. It was premature. There had been no definite decision except that he was going to resign later on, and it depended largely on the outcome of his observation at Johns Hopkins. I felt that way about it, and I am doing nothing in the way of filling the vacancy until adequate, gentlemanly time has elapsed.

Q Is Joe Davies going back to Moscow?

THE PRESIDENT: I suppose so; I don't know how long he is going to be here--until after Christmas, anyway.

Q Mr. President, did you discuss international affairs with Governor Landon when he was here?

THE PRESIDENT: A few sentences; I told him something about the seriousness of the problem.

MR. YOUNG: Thank you, Mr. President!

The Press Conference then adjourned.

CONFIDENTIAL
Press Conference #419
At the White House

December 28, 1937 -- 4:10 P.M.

THE PRESIDENT: I don't think I have any news, except that if you will go up to Chairman Taylor of the Appropriations Committee, I think that he will give you a letter which he wants to give out--a copy of a letter that I sent him in regard to increases in the Navy. Before you write anything on it, get copies from the chairman, because all the letter does is point out that the estimates were made up fairly early in the autumn and the general international picture since then has made it possible that I may recommend the laying down of additional ships, in addition to those that were provided for in the budget that was made some time ago, and if so those would come up in the form of supplemental estimates.

Q Mr. President, is that new legislation, or has it already been provided in legislative acts?

THE PRESIDENT: Well, I don't know yet; it depends on types of ships.

Q Did you call for an increase in personnel too, Mr. President?

THE PRESIDENT: Oh, no.

Q I didn't hear that answer.

THE PRESIDENT: It would not, because these ships would not be completed in time to care for an increase.

Q Can you say how many ships or how much money?

THE PRESIDENT: Oh, no; that is all I said.

Q Mr. President, can you tell us at this time whether you are going to read your own annual message?

THE PRESIDENT: Oh, I think so; I have done it every year.

Q Will it be on Tuesday?

THE PRESIDENT: Monday, I think. They meet Monday noon, and they do not have any organization to create, so I imagine Monday, if it is agreeable to them.

Q When will you have the seminar on the budget?

THE PRESIDENT: Next week.

MR. EARLY: Friday is New Year.

THE PRESIDENT: It won't be done, Steve.

MR. EARLY: I don't know when you can do it.

THE PRESIDENT: The budget message won't go up until Tuesday afternoon or Wednesday; so I think probably we will want to have that seminar on Monday afternoon. That would be a good time.

Q Late in the afternoon?

THE PRESIDENT: Yes.

MR. EARLY: About 4 o'clock.

MR. ESSARY: Mr. President, in connection with this naval matter, you made an observation or two just a week ago today which I learned later was "off the record." I didn't so understand it, sir, and I made some publication of the matter in the following day's paper.

THE PRESIDENT: I didn't even see it, Fred; what was it?

MR. ESSARY: It has been seen, and I want to apologize for an inadvertence.

THE PRESIDENT: What was it?

MR. ESSARY: You were asked, I think, if there would be a message or some communication on the matter of rearmament, and you asked, after discussing it for a moment, that it be not asked. Later I understood

that you made some observation that it was off the record.

THE PRESIDENT: I was preparing at that time for this statement today.

Q Mr. President, will the new ships require a new authorization bill?

THE PRESIDENT: I don't know, because it depends on the type of the new ships, if any are asked for. The present Vinson law provides for a certain specific number of specific types of ships. Now, further, if I were to ask for any additional ships, whether they would fall into those numbers or types I do not know.

Q Have there been any appropriations yet for those auxiliary vessels that were authorized last year?

THE PRESIDENT: I think they are started; in fact, I am sure those were the two awarded the other day.

Q There were more than two--about eight at different times.

THE PRESIDENT: Not appropriated for.

Q That is what I meant; there might be additional appropriations for those.

Q Will those be for immediate construction, Mr. President?

THE PRESIDENT: Oh, yes; but there is the "if" yet. I haven't made up my mind.

Q Mr. President, are the navy yards in the country in any position to participate in this new program?

THE PRESIDENT: You mean "if" new program--yes.

Q Do you contemplate asking for additional yards and that the program be handled between the private yards and the navy yards?

THE PRESIDENT: I suppose the present law would stand to divide it up equally.

Q Could the "if" new program be regarded as the initiation of a preparedness campaign?

THE PRESIDENT: No.

Q Are the two new battleships necessary to keep parity with Britain?

THE PRESIDENT: The two battleships were in the program of replacement to be finished by 1941.

Q These two in addition to the two started last year?

THE PRESIDENT: Yes.

Q Mr. President, this bill contemplated that you might start sooner than that?

THE PRESIDENT: No.

Q Mr. President, do you contemplate any extension of naval aviation?

THE PRESIDENT: I don't think so.

Q Can you tell us why four cruisers are going to Australia?

THE PRESIDENT: I suppose because they were invited to attend a centennial.

Q Mr. President, will the Army get anything at the same time as the Navy?

THE PRESIDENT: I don't know; I haven't completed looking that up.

Q Mr. President, there has been a great deal of discussion on Mr. Jackson's speech of last Sunday; can you comment on that?

THE PRESIDENT: No.

Q Did the sentiments expressed by him meet your approval?

THE PRESIDENT: I just said I couldn't discuss it.

Q Mr. President, would you discuss the legislation dealing with newspaper control of radio?

THE PRESIDENT: Haven't even read it.

Q Anything on silver yet, Mr. President?

THE PRESIDENT: No. What is today?

MR. EARLY: The 28th.

THE PRESIDENT: Friday night at midnight is the limit on any statement.

Q Will it be a proclamation, Mr. President?

THE PRESIDENT: I don't know; it will be a statement.

Q A statement?

THE PRESIDENT: Somebody will say something before midnight on Friday night. It will be either the Secretary of the Treasury or me.

Q Does that eliminate a proclamation?

THE PRESIDENT: That is all I said. Everybody has been trying to get me to issue a proclamation. I have consistently said <u>something</u> will be said.

Q Have the silver senators been insisting on a proclamation?

THE PRESIDENT: Oh, lots of people have insisted on a proclamation.

Q I am trying to find out, sir, whether a proclamation can be characterized as a statement--whether they are in the same category.

THE PRESIDENT: I don't know--I really don't know--hadn't thought of that. (Laughter.)

Q Mr. President, do you contemplate a reduction in the price of silver?

THE PRESIDENT: I'll give you a tip: If you are around at about 11:59 Friday night, you may beat the gun by one minute! I hope you are not at work at that time.

Q Any comment on the wholesale lay-offs in the automobile industry?

THE PRESIDENT: No, I don't think so.

Q Did you see the General Motors announcement?

THE PRESIDENT: Yes.

Q Mr. President, are you considering a radio speech in the near future?

THE PRESIDENT: I think they are going to carry the annual message to

Congress on the air. I think I am going to talk at the Jackson dinner on the following Saturday night.

Q Is there a fireside speech in the offing, sir?

THE PRESIDENT: Not that I know of; aren't two in one week enough?

Q Mr. President, have you started actual work on your message?

THE PRESIDENT: Yes.

Q Mr. President, in addition to naval extension, have you given any thought to increasing the material condition of the existing fleet?

THE PRESIDENT: I didn't quite understand the question.

Q It is understood that the fleet stands at about 85 or 90 percent of capacity. You will need additional appropriations to bring it up.

THE PRESIDENT: Oh, no; that is not the way the fleets run. The fleet in peace time is kept at about 85 percent of the naval personnel needed on ships in time of war. We have--what is it called, Fred? You are familiar with the Navy.

FRED: Fleet Naval Reserve.

THE PRESIDENT: That is made up nearly entirely of former officers--warrant officers, chief petty officers, petty officers, and seamen--who have served in the Navy in comparatively recent years. By calling them to active duty, it would bring in the full 15 percent fully to man all the vessels of the fleet. It would not be enough to man all additional vessels or auxiliaries and things like that, any more than it was at the time of the World War. In that case, we would be required to take the naval militia of the various States and other portions of the Naval Reserve to man the additional ships.

Q Some rather distinguished names on your calling list this afternoon;

anything to say about what they said to you or you said to them?

THE PRESIDENT: O, just had a good time talking about everything.

Q Mr. Baruch said as he left, "Wisdom and forbearance--that could work out the present recession."

THE PRESIDENT: I think there is a lot in that! (Laughter.)

Q Mr. President, will you comment on the visit of I.C.C. Chairman Miller yesterday and today?

THE PRESIDENT: We talked about various matters, railroads chiefly, and problems of the railroads.

Q Mr. President, have you concerned yourself with the possibility of the congressional investigation of alien propaganda in the United States at the present time?

THE PRESIDENT: What is the nature of it?

Q There is a movement for a general congressional investigation.

THE PRESIDENT: I haven't even heard about it. Has that been published?

MR. YOUNG: Thank you, Mr. President! Thank you, sir!

THE PRESIDENT: I will see you Friday afternoon; I may have the statement ready then.

The Press Conference adjourned at 4:23.

CONFIDENTIAL
Press Conference #420
Executive Offices of the White House

December 31, 1937, 10.50 A.M.

MR. DONALDSON: All in.

THE PRESIDENT: Well, first of all, everybody, Very Happy New Year.

CHORUS: Same to you, Mr. President.

THE PRESIDENT: And you can help me out. I have received in the last few days over 7,000 holiday greetings and it is physically impossible for the staff and myself to make personal acknowledgment of those greetings so I am going to ask the newspapers to convey my gratitude to all the senders of those greetings and explain that at this particular time of the year, with the Annual Message and various other things coming on, and the holiday that the staff deserves, I cannot physically thank them myself.

Q Mr. President, knowing your fondness for statistics, how does that compare with last year? (Laughter)

THE PRESIDENT: I don't know, Russ (Young), but I should say, just from recollection, that it is substantially greater.

Q Mr. President, --

THE PRESIDENT: And they are not all through coming in.

MR. EARLY: There are a few outlying precincts. (Laughter)

Q Have you made any resolutions for the New Year, Mr. President?

THE PRESIDENT: Joint resolutions? (Laughter)

Q Well, joint or otherwise?

THE PRESIDENT: Oh, yes, I always do.

Q Can you tell us what they are?

THE PRESIDENT: No, they are too personal. They are very much like the ones you would make, Fred (Storm). (Laughter)

MR. STORM: You have got me there; that is a terrific indictment.

THE PRESIDENT: They are not different from the average New Year's resolutions most people make.

Q I think the country would like to know what you think of the "Big Apple?"

THE PRESIDENT: Well, I think it is very interesting, Fred, very interesting, but of course, as a music lover, the thing that impressed me was the lack of rhythm. We won't go into any further details on that.

Q Mr. President, can you tell us anything about your meetings with more power men next week? You said you might see some after the first of the year.

THE PRESIDENT: Are they down, Mac?

MR. McINTYRE: Yes, sir; next Tuesday.

Q Can you tell us who they are now?

MR. EARLY: No.

THE PRESIDENT: Steve growls, "No, not now." He says it is premature.

Q Anything on silver?

THE PRESIDENT: At five o'clock this afternoon at the Treasury Department.

Q Have you any plans for tonight or this afternoon?

THE PRESIDENT: No, just the family will see the New Year in.

Q You are still working on the message?

THE PRESIDENT: Yes. I will be working on the message all the rest of the day and all of tomorrow and I will get the message done some time Sunday night. Steve has the staff coming in at seven o'clock Monday morning to put it on the mimeograph.

MR. EARLY: We should have it by nine o'clock.

THE PRESIDENT: It will be ready by nine o'clock Monday morning.

Q Mr. President, can you tell us if this yearyou are going to do what you did last year on your Budget Message -- withhold or postpone relief estimates?

THE PRESIDENT: I think you will have to wait until Tuesday afternoon, until you see it.

Q Mr. President, Mr. Robert Jackson and the Secretary of the Interior have made some speeches that have attracted a good deal of attention. Do you agree with what those two gentlemen have been saying?

THE PRESIDENT: I am always reminded -- I think the only thing I can say on any speeches that have been made either by the two gentlemen you name or the other people, I am always reminded of an old episode. Some of the older people, like myself and Mark Sullivan, will remember it --

Q (Mr. Sullivan) Thank you, Mr. President. (Laughter)

THE PRESIDENT: There was a President by the name of Theodore Roosevelt -- Mark met him once or twice (laughter) -- and he made a speech back there -- I don't know the year but Mark would know (laughter) -- in which he spoke about individuals, some individuals, and he called them, these individuals, "malefactors of great wealth," whereupon there was a certain element in the country -- we need not be any more explicit than that -- which publicly charged him with calling all people of great wealth "malefactors" which, of course, had absolutely nothing to do with what he had actually said. He had spoken of "malefactors of great wealth." Well, he knew English, Mark knew English, I know English, most of you know English -- not all of you. (Laughter)

That, perhaps, might be called a parable. I started with one on Christmas Eve and here is another. I think it is the only comment that need be made, that there was a very, very definite effort in this country --

by a certain element in the country to make it appear that Theodore Roosevelt had called all rich men "malefactors," which, of course, was not borne out by the general text of what he said or by the words themselves.

So, that is the New Year's parable.

Q Mr. Ickes and Mr. Jackson were much more specific, Mr. President. (Laughter)

Q Mr. President, referring to your "if" Naval expansion program which you discussed at the last Press Conference, have you as yet made up your mind as to what type or types will be built?

THE PRESIDENT: No, not yet; it is being studied.

Q Mr. President, returning to this other subject, does that mean that you say that Mr. Ford and General Motors and the others who are named are responsible for the Depression?

THE PRESIDENT: Oh, I think we will leave it to the parable. It was a pretty good illustration.

Q Mr. President, have you seen the pictures of the Panay bombing?

THE PRESIDENT: Not the movies. I have only seen the pictures in the newspapers. It is impossible to have the movies until after Monday because of the Message but I think some time next week we will have the reels in the White House. We will have them some evening

but I don't know what evening yet.

Q What was your impression of the figures Mr. Jackson gave out in connection with his speech?

THE PRESIDENT: I think we will let the parable take care of that.

Q Do you think foreclosure laws in some of the States make foreclosure very difficult so that they might hold back the housing program?

THE PRESIDENT: What do you mean?

Q I mean the laws that make foreclosures very expensive. They make people more reluctant to make loans at high percentages of the appraised value.

THE PRESIDENT: Frankly, I have never thought of it very much. You mean bankruptcy?

MR. EARLY: The State laws -- the delay in the States and the fines and the costs.

THE PRESIDENT: Well, of course, anybody that knows the law knows that the whole process of receivership in this country needs very great revision. If you take almost any one of the railroads which has been in receivership, and some of them have been chronically in receivership in the last 20 or 30 years, the cost of receivership and the cost of reorganization is away out of line. It is one of the practices and procedures of the law that requires very definitely a simplification, not only the State end of it but

the Federal end of it too.

Q Mr. President, are you going to see Governor Earle of Pennsylvania today?

THE PRESIDENT: No, he is not down. I think he is coming in soon but not today. Is he in town?

Q I don't know whether he is in town but there was a report from Harrisburg that he was coming down here.

Q After the last Cabinet Meeting it was reported that the Borah-O'Mahoney Corporate Licensing Bill had been discussed and that you personally favored the principles of the bill. I was wondering if that is correct?

THE PRESIDENT: I imagine it is like the usual reports that come out about Cabinet Meetings.

Q Do you favor it in principle?

THE PRESIDENT: In other words, it was not discussed -- it was mentioned.

Q Do you care to say whether you are in favor of that bill, in principle?

THE PRESIDENT: I am not ready on that.

Q Governor Allred was in Wednesday. Do you care to mention what was discussed?

THE PRESIDENT: Oh, we talked about the Union and Texas.

Q He is speaking of running for a third term, did he mention that?

THE PRESIDENT: No. Texans have always considered themselves not only a State of the Union but also an independent republic, which it was. I think they have a right to consider themselves not only the biggest State but the most independent.

MR. STORM: Thank you, Mr. President.